

INSIDE: Ronald Reagan's spellbinding Texas triumph

Maclean's

SEPTEMBER 3, 1984

CANADA'S WEEKLY NEWSMAGAZINE

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THE DAY OF DECISION



Behind the scenes in the final days

The fight to the wire in key ridings

Carving up the Ontario battleground



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CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

SEPTEMBER 3, 1984 VOL. 97 NO. 36

COVER

Down to the day of decision

With public opinion polls unanimously forecasting a Conservative victory—and a possible landslide—Tory Leader Brian Mulroney kept up a hectic campaign pace. Prime Minister John Turner turned to harsh attacks on his rival, and fellow party members began meeting to discuss how and when to replace their recently elected leader. — **Page 39**

COVER ART BY CHRISTOPHER LEE



Old-fashioned promises

In accepting renomination by the Republican convention, President Reagan touched delegates' desires for a revival of traditional American values. — **Page 34**



NASA's salvage challenge

NASA hopes to turn a costly setback to its advantage when the shuttle Challenger attempts to salvage two wayward satellites in a mission this November. — **Page 43**



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Cricks shakes a giant

Masterick Charles Knapp transformed Financial Corp. of America into the biggest savings and loan firm in the U.S., but now FCA faces a possibly lethal crisis. — **Page 36**



The turnaround is red

Model Kelly LeBrock used to be "The North" in Christian Dior's advertising, but now she is "The Dream" in Gene Wilder's new film, *The Woman in Red*. — **Page 46**

An unrealistic remedy

My pleasant surprise at seeing your editor defend from U.S.-Canada trade ("Exploring free trade," Editorial, Aug. 6) was quickly scored by his argument based merely on the pragmatic consistency of "restoring the country's confidence" and preserving "at least a semblance of prosperity." Free trade is a matter of individual right, and until our governments are willing to view it in that light any expectation that "an open discussion of the issue" could even focus on the cause of our economic and social ills is highly unrealistic. It is no mere coincidence that the most free nations are inevitably the most prosperous.

—NANCY WITT,

Freedom Party of Ontario,
London, Ont.

Trapped by images

Bears to Dan Cohen for making the irrelevance of the present election so clear in her Aug. 11 column, "How Canadians live at the polls." During the election debate the party leaders seemed so trapped by their campaign image managers and terrified of failure that the only result was an exercise in utterly banal mediocrity. The time is past when Canada could thrive under parsimonious politicians.

—DAVID S. STEPHENSON,
Ottawa

Deaths and entrances

Regarding your article "Deadly crisis of voices" (Frontier, July 30), the politicians in this country are encountering enough controversy without being falsely accused of killing an inmate. A guard at the maximum security Kingston penitentiary and not McIlhenny was responsible for the killing of an inmate.

—KELLY CLARKE
Ottawa

Byzantine confusion

It is regrettable that in an otherwise penetrating analysis of the role of the spinmaster, Allan Fotheringham finds it appropriate to introduce a disparaging reference to the monarch ("Bringing the old political habits," Column, Aug. 6). Whatever his views of the place of the monarchy in Canadian society, there is no excuse for referring to HRH Queen Elizabeth II as "her" Betty Windsor. The rest is not even accurate.

—P.J. GOULD,
Scarborough, Ont.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Most correspondence is referred to the Editor. Mailbox's magazine, *Mailbox Reader Digest*, 777 Bay St., Toronto, Ont. M5W 1A7.

DATELINE: NEW YORK

Sanitizing Times Square

By Sterett Page

Times Square has reigned for more than 50 years as New York's premier tourist attraction. The area was the heart of Broadway's theatre district in the 1920s and 1930s, but it has gradually become a glittering emporium of pornographic movie houses, gaudy shops and eat shops. Each day tourists and curious young people converge on these attractions—and on the square's cheap bars, hotels and deli restaurants.

Even from the studios of *Toronto's* Jack Jacobs and other urbanologists, want to encourage criminal elements to leave Times Square by putting up handsome office buildings and sanitized shopping malls which will bring an infusion of middle-class consumers and professionals to the district. The plan, which will receive its final municipal approval this fall, calls for the construction of four office towers, each between 28 and 56 stories high, nine renovated theatres and a wholesale merchandise mart for



Times Square: out a hope, pump a nose, rublime and leave the prostitutes

But as do armed robbers, muggers, bachelors, drug dealers and addicts, transvestite prostitutes and big ladies, making that part of 42nd Street New York's most crowded pedestrian thoroughfare and its biggest magnet of crime. Now there is a score of controversy over a plan by the city and the state Urban Development Corporation (UDC) to clean up the area with a \$1.8-billion redevelopment plan. Critics of the proposed project by developer Park Tower Realty contend that the solution to the block's rampant crime is not tall buildings but increased crime prevention and rehabilitation of offenders. And a local sporting goods merchant, "The redevelopment plan would be like constructing over Central Park because of last summer's rioting there."

City planners, drawing their inspira-

tion from the studios of *Toronto's* Jack Jacobs and other urbanologists, want to encourage criminal elements to leave Times Square by putting up handsome office buildings and sanitized shopping malls which will bring an infusion of middle-class consumers and professionals to the district.

City politicians and planning consultants have wholeheartedly endorsed the project. But a recent series of public hearings has drawn many critics. Many of them opposed to the plan acknowledge that redevelopment would rid 42nd Street of much of its crime, but they contend that it would also strip the block of its traditional charm and excitement. According to *The New Yorker* magazine theatre critic Brendan Gill, chairman of the New York Landmarks Conservancy, "The office towers would be great grey ghosts of buildings, shutting out the sun and turning Times Square into the bottom of a well." Other critics of the plan have denounced it as a

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plot to empty 42nd Street of its low-budget, working-class entertainment and to hand windfall profits to private developers. Said Barbara Glusac, a resident of Clinton, a lower and middle-class neighborhood west of Times Square: "Clinton is a very valuable piece of real estate. And New York, which is basically a real estate town, is offended that poor people still live here. What right, they say, do poor people have living in the same zip code as the Museum of Modern Art?"

For their part, supporters of the redevelopment plan argue that lower density or "pencil-sketch" redevelopment is impractical because, as Michael Hattersley of the CBO explained: "No developer in his right mind would build an isolated office tower down there. There has not been a new building built in the area since the late 1930s." As well, the plan's promoters say that during the past 20 years the police have been unsuccessful in their attempts to clean up the area through crime prevention measures. They note that 42nd Street is the most heavily polluted block in the city but it still has the highest crime rate. The city's public morals division has cracked down in the past five years on female prostitution, but more increasing male hawking, or "chicken hawkers," and violent crime have taken over. Planners claim that redeveloping the district of



Times Square's new look: controversy

streets and the subway station will displace the blacked-out windows and child shadows along the 43rd Street strip and the warren of underground tunnels that make police pursuit especially difficult.

Some of the strongest opposition to the redevelopment plan has come from residents and businessmen in neighborhoods adjoining Times Square. They fear that the construction of four giant office towers in the square may put irrevocable premiums on rents in Clinton, one of Manhattan's oldest residential neighborhoods, and on rents in the garment district to the south. Those critics say that the arrival of 30,000 white-collar workers and professionals will almost certainly tempt landlords to increase rents, evict tenants of rooming and apartment buildings into luxury apartment units. In the past year some landlords, anticipating the area's renewal, have doubled rents in the garment district, where apparel manufacturers have always counted on low rent to keep costs down. Speculators fear that industry costed that higher rents may force the industry to relocate in New York's outlying boroughs, where it will no longer benefit from the proximity of designers, retailers and producers.

For their part, residents of Clinton note that one-related businesses and the street crime they attract have already made inroads in Clinton. And they add that the trend will accelerate as the cleanup plan flashes headlines and re-growth out of Times Square. Still, many residents acknowledge that the imperativeness of redevelopment justifies the risk. Said Rev. Robert Kappelman, whose Church of the Holy Cross is the oldest building on 42nd Street: "We have always had evil here. But we have been successful at keeping the area clean. We are a very vigilant group."

Around the clock on the square, a hundred or more street people are hawking, drinking or just watching. For the most part, these observers remain confident that 42nd Street and its downtown flavor will survive the redevelopment which the city plans to proceed with despite the opposition. Emerging from an old right-of-way arcade that patrons call "the Hole," a young man who calls himself "Bullywood" noted that "there will always be tourists and trade up here." Still, he admitted that the action might move up the block in the future. Another youth who frequents Times Square recently told a *New York Times* reporter that "there is a saying on this block—over here you never die. You can always make money on this block." Who will prosper and who will perish in the plan and corporate Times Square of the future are questions that New York's politicians and planners have yet to answer. ☐

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Q&A: IAN BALLANTINE

A publishing revolution

With the application of new computer technology to books, the publishing industry is on the threshold of its most important changes since the popularization of the paperback book in the 1930s. A key figure in the development of the paperback, Ian Ballantine, 64, who founded both Bantam Books and Bantam Books, is deeply troubled with these changes. He is a publishing consultant in New York, Maclean's correspondent Doug McPherson spoke with Ballantine, who recently visited Toronto.

Maclean's: You have said that computers are a blessing for the book world. In what way?

Ballantine: The advent of computers does not necessarily mean that books are going to be replaced. It simply means that we are going to have a much greater array of resources, of information, open to us. We are on the verge of a wedding of the book and the computer. I am a director of a firm that can create and print a computer program in code on a piece of paper the size of a postage stamp—much like the printing code on the covers of Maclean's. That advance means you could print in the back of a paperback book a computer program that is released to the book. I edited a book for Ballantine Books called *The Space Shuttle Operators' Manual*. We claimed it was what you could expect to find in the glove compartment in the event you purchased a space shuttle craft. Now we are working with computer companies to develop a simulation of the last 6½ minutes of a shuttle landing. The reader, having become familiar with the technology by how read about in the book, could then practice the simulated landing after feeding the bar code into his home computer. As well, that system could be used for books on such topics as how to start a small business or how to drive a car or fly a plane.

Maclean's: What about the effect of the computer on the book itself?

Ballantine: The writings of Toronto's Marshall McLuhan have greatly influenced me. I think he was right when he said that television is bringing people up, and I think the answer is that, from a publisher's standpoint, we must improve the rituals of books in order to better compete with TV. We must take advantage of technological advances to improve books, to make them much more visually attractive to the reader. As well, we must be prepared to offer color throughout the books, not just in

little sections as we now do. **Maclean's:** Is television or print a threat to book publishing as it once was?

Ballantine: The big movement in television is going to be its change to a participatory medium. From a passive one I view the keen public interest in such writers as J.R.R. Tolkien [the late English author of *The Hobbit* and *The Lord of the Rings*] as boding well with the fact that people want something in which they can participate. In Tolkien they find worlds they can compare with television. Television is going to find itself serving a much greater variety of interests. The possibility is being wrong out of it, and that is *surveillance*. **Maclean's:** For years you were Tolkien's publisher. He was reportedly *reclusive*. Was he indeed?

Ballantine: I was the American and, for a time, the Canadian paperback publisher

for *The Lord of the Rings* and *The Hobbit*. Tolkien is one of the great literary giants of our century because he brought adult stature to fantasy. He was a totally lovable man, just as close as you would think he would be from reading his books, very warm and loving. He was a great fan of his own things. He had a shoobon of artifacts he had made relating to his books. For instance, a torn message from the Beryllian that had burned. It had blood on it, and I asked him how he got the blood. "I pricked my finger," he said. He once paid me the best compliment I have ever received. He told me I was "book-like" after the main character in *The Lord of the Rings*. By that he meant that we could get our brains rolling and find ingenious solutions to problems. He was an absolutely delightful man. The first time I had lunch with him in England he told me his wife



Ballantine ingenious

was very ill and he might have to leave the lunch at any time. I, of course, realized that meant that if I turned out back, he was not going to be imposed on by someone he did not like. But we got along fine. ☐

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AIR AFRIQUE

A coroner in exile

Ever since Dr. Thomas Noguchi lost his job as Los Angeles County's chief medical examiner for alleged incompetence in 1982, the Japanese-born pathologist has remained confident that he would obtain vindication. Noguchi, 57, whom the Screen Actors Guild has accused of being an indis-

cret publicity seeker for calling press conferences to offer his opinions on the deaths of such celebrities as Marilyn Monroe, Natalie Wood and John Belushi, is now just one of 72 pathologists at the county medical centre. He spends his days performing routine autopsies. But that could change soon when the Los

Angeles district court hears his appeal of his dismissal. Said Noguchi's lawyer, Geoffrey Isaac, "The Civil Service Commission overruled its own hearing officer and never reviewed the hearing record. It was a triumph of politics over justice, which I intend to reverse."

Noguchi considered his name to be the unwittingly abused when he speculated publicly about the role of alcohol in the 1981 deaths of Wood and actor William Holden. But his fall from grace began in February, 1984, when the Los Angeles County board of supervisors fired him for a series of alleged indiscretions. Most disturbing to the board were reports that Noguchi had said that he prayed for a plane jet crash near Los Angeles so that he could show off the completion of his department and his inappropriate delight when he learned that he would perform the autopsy on former U.S. attorney general Robert F. Kennedy. But the board was unable to prove the allegations at a hearing in which Noguchi appeared by his friends, and he was reinstated four months later.

Then, in 1982 the flamboyant coroner's competence as an administrator became an issue, and the commission censured him. According to Richard Midgley, a county administrative officer, the criticisms in the report were "harsh." Midgley recalls a looking of 250 bodies awaiting autopsies, some stacked two to a gurney, 5,000 personal property envelopes, many containing valuable assets of money, blood-spattered walls, littered floors, and critical police evidence from bodies that workers had not looked up. Said Midgley, "It took a year of hard work to set things straight and restore staff morale."

For his part, Noguchi acknowledges that there were "problems in certain areas." But he attributed the administrative difficulties to an inadequate budget. Still, he argues that it was the issue of public disclosure that cost him his job, not mismanagement. According to Noguchi, that issue is "a great dilemma that all medical consumers face." Accordingly, Noguchi decided that it was his mission to "tell it like it is." In revealing certain details about the deaths of celebrities—William Holden's in particular—he upset many celebrities. Said the pathologist, "When that group is displeased, they put pressure on the politicians."

Noguchi remains confident that he will be able to return to his former office after a quiet hearing. When he moved into his new and smaller quarters after his dismissal, he hung a sign on the door that read, "Welcome to Siberia." On it he drew a smiling face. Given the seriousness of the mismanagement charges, many observers expect that a frown will soon be more suitable.

—MICHAEL J. MCGEE in Los Angeles



As he knowledge blossoms at home

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The politics of sexual harassment

By Barbara Aronell

In the spring of 1982 Liberal MP Allan Rock, 58, hired Kristina Potapczyk, 29, as a special assistant. Her job was temporary for 10 months. Later she obtained 10 weeks' severance pay in a somewhat unusual suit that was settled out of court. Potapczyk claimed she had been sexually harassed by Rock and complained to the Canadian Human Rights Commission. According to her evidence, she never suffered any physical touching or verbal propositioning by Rock. But she said he had leered at her, stood too close in the office, had asked her out to dinner once and, when she refused, had given her typist duties she did not like. Potapczyk's lawyer asked the tribunal appointed by the commission to find Rock guilty.

Potapczyk's lawyer argued, firstly, that Rock's initial reason for hiring Potapczyk was to bed her. The tribunal rejected that contention. Potapczyk's lawyer wanted the tribunal to declare that Potapczyk's refusal of the dinner invitation had led to retaliated reprimands. The tribunal rejected that as well. The third basis for a finding of sexual harassment was Potapczyk's lawyer's claim that Rock had created a humiliating work environment for her client. The tribunal found Rock guilty of that and ordered him to pay \$1,500 in compensation to Potapczyk.

Let us assume that every charge made by Potapczyk was real. That MacInnis did sexual abuse to her. That during the time she worked for him he did occasionally look at her breasts. Let us take for granted that if a female is asked for sexual favors by a co-worker and permitted in a job-related way where she refuses them, we have sexual harassment. Let us take for granted that if a female is physically touched, so not only have sexual harassment, we may well have a charge of common assault. But what do we have in the case of Potapczyk, in which neither of those two things happened?

According to the tribunal's written judgment, Rock was guilty of creating a "poisoned atmosphere here." The tribunal wrote that "sexual harassment that does not otherwise adversely affect the woman's employment may nonetheless be discrimination on the basis of sex if it simply makes the work environment unpleasant." The tribunal tried to define what that meant. Its members suggested

that sexual harassment occurs if "a reasonable person ought to have known that such behavior was unreasonable." Alan, in its honesty the tribunal denoted that argument when it went on to state that what a reasonable woman might view as sexual harassment may not be seen as harassment by a reasonable man.

Exactly! Men and women are different. An action that may seem reasonable to a man may not seem reasonable to a woman. Of course, there are differences among people—not just the sexes—as well. Some people are in a habit of making personal remarks based on gender, some people have a personal distaste that other people find objectionable. But, internally speaking, society has always recognized situational differences between the sexes. That is why the Victorians had men go into the smoking room for their after-dinner cigar and should chat.

'Surely it is not an offence if an employer acknowledges the gender of an employee with a remark'

Then 20th-century society decided it was time to end separatism of the sexes, particularly in the work force. To make that possible we all had to agree, essentially, that as mature human beings we would not take offence with one another's differences. We have to live with the little gender-based peculiarities of female behavior—our tendency to chatness, the wearing of perfume. Women should put a good face on the whether they should be themselves in our presence and at times will give objectionable glances or employ objectionable words. If equality in the workplace is to have meaning, it should not be an equality based on punishing conduct that is objectionable to a reasonable woman but not to a reasonable man.

If the tribunal's judgment is taken literally, it means that if an employer, by a glance or remark, acknowledges the gender of a female employee and she does not like him, we have sexual harassment. The test of reasonableness applies only to the complainant, not to the perpetrator of the act. That is subjective and unfair. Since Potapczyk never complained to MacInnis that she disliked

his behavior, how was even a reasonable man to know he was doing wrong?

According to the judgment, the actions of MacInnis which created the "poisoned atmosphere" would have instead been his grossly overpaid Potapczyk a better job. That, too, is utterly extraordinary. Either an act is wrong or it is not. It is as if the commission is now to act as a pimp if men sexually harass, it is clear, as long as the ladies pay up. If they don't, the tribunal will be looking for him and appointing the judges. He was

But far worse is the lack of due process in the procedures of the tribunal. MacInnis was not present at the hearing, he was not represented by a lawyer. That is because he objected to the fact that the commission was looking for him and appointing the judges. He was appealing that in the regular courts, which expect to hear the case this fall. I don't know how our courts will rule on that matter, but in my opinion anybody who is party to the proceedings should be able to appear at the judge.

Under normal circumstances no action should have been taken against MacInnis until the court ruling. Why did the human rights tribunal have to rush to judgment? In the event that our courts rule against the tribunal, what possible remedy could MacInnis have for a career that could be broken, a reputation ruined? That is key to the fears some of us have about the procedures of quasi-judicial bodies like human rights tribunals. Under the name of human rights they have developed an entire process that routinely throws out of the window all our concepts of natural justice. In their initial investigations there is no cross-examination of witnesses, the witnesses are anonymous, and their names are withheld from the accused. Then, the commission that is launching the complaint against the accused rules on whether there should be a hearing and appoints judges to sit. In this case, since MacInnis did not appear, the tribunal had the power to try him in absentia!

Human rights commissions have argued that since they do not have the negative power as the regular courts, they do not have to give the same safeguards to the accused. That if you have a commission that has the power to destroy a person's life and, incidentally, to send him to jail if there is non-compliance with its orders, to hide behind such excuses is ridiculous. Such commissions are the greatest offenders against human rights and by every measure of decency should be eliminated from our system.



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Down to the day of decision



Turner at rally in Chatham, Ont.: friends were worrying about how he would deal with a crushing electoral defeat

By Carol Goss

Senator Keith Dewy assumed his best bedside manner as he chaired last week's meeting of John Turner's desperate campaign team. According to virtually every published poll, the Prime Minister had already lost the election. But the Liberal national campaign director sought to infuse 38 tired Liberals in the prime ministerial headquarters with the will to keep fighting in the final days before the ballot boxes next Tuesday. "Our new ads are coming out, and they're very hard-hitting," Dewy explained. "Some of you may find them awkward." There was an uneasy stirring in the room. As an all-out attack on Conservative Leader Brian Mulroney's credibility, Dewy argued, was Turner's only hope—and might just save the election for the Liberals. As the staff filed out of the stately Longwin Block, Dewy's staid powers of persuasion seemed to have worked their magic once again. Had one participant. "I want to be easy but I still think we can win this

election—or at least hold the Tories to a minority."

But beyond the cluttered confines of the prime ministerial headquarters, Canadians appeared ready to accept their Prime Minister of only two months to a harsh fate—and it seemed as if they had a last-minute Liberal attack on the

With the polls pointing to a Conservative landslide, Liberals were meeting to discuss John Turner's departure

prospect of a Conservative government or a dramatic intervention by Pierre Trudeau, could turn the strong tide running toward Brian Mulroney's Tories. Does Turner seem to be conceding the possibility of defeat when he told a television interviewer in Guelph, Ont., last week that he would stand by his promise to rebuild the Liberal party? "This party is going to be rebuilt as

government or out of government," he declared, adding that "the Liberal party elected me in a fair and open election, and I think the Liberal party will stay with me, particularly when I win."

Yet with the latest polls suggesting that the Conservatives were heading for an election-day sweep, senior Liberals were already meeting in Toronto for quiet discussions about when and how to replace Turner. Some Tories saw an awe-inspiring electoral victory in the offing. "It's almost frightening," mused Patrick Macdonald, a Mulroney aide who once worked for Prime Minister John Diefenbaker. "Even in 1958 we didn't see it coming like this." Indeed, the Tories were so certain of winning a majority that the spectre of a damaging last-minute blunder had ceased to haunt party strategists. Even Ed Broadbent's New Democrats were conceding a Tory majority. Still, national campaign manager Gerald Caplan exhorted party workers in a memo to "take advantage of the perception of a potential landslide" by signing for support in order "to keep those Tories honest."

The conviction about the extensive win-

based on an unprecedented series of more than a dozen major national election polls in the past eight weeks (chart, page 12). A poll conducted for Southern News and released on the weekend prior to the Tories' massive lead, with 56.5 per cent of the decided vote. The Liberals had 27 per cent and the New Democrats 15 per cent. The poll, conducted earlier in the week by the Carleton University School of Journalism, gave the Conservatives a solid lead in every region, including a 34-per-cent advantage over the Liberals in the Atlantic provinces and Quebec, and a 38-per-cent lead in Ontario. A poll conducted for the *Toronto Globe and Mail* earlier in the week by Montreal's *Centre Recherche sur l'Opinion Publique* gave the Conservatives 49 per cent of the popular vote, the Liberals 22 per cent and the NDP 28 per cent—almost exactly the same as a CBC poll published several days earlier. The numerous findings seemed to assure the Tories of a solid majority. "Even if Eric Amstel is in the last week—which he won't—it doesn't matter," declared Tory campaign secretary Paul Curley. "Nothing can stop us now."

Trouder. The numbers did little more than confirm a trend that campaign strategists discovered on the nation's doorsteps three weeks earlier. Said Brian Mulroney, a New Democrat who spends his evenings in Toronto's Beaches riding, "We're running into a lot of Liberals who are uncertain—not necessarily to an inch away from Turner. He simply isn't living up to people's expectations."

In ridings across the country candidates for the three major parties could feel the winds of change blowing in the land. The mood of a restless electorate ranged from concern and frustration in British Columbia, over unemployment, to cynicism and indifference in parts of the Prairies and a widespread sense of imminent political change that stretched through Manitoba and Central Canada and into the Atlantic provinces.

In Toronto, several disillusioned Liberal candidates were quickly dropping

Turner's name from their election literature. "We're not exactly pushing the Turner connection," admitted a party worker campaigning for Liberal incumbent Norman Kelly in Scarborough Centre. The most devastating comment on the Liberal's prospects came from Quebecer Robert Gagné, who represents the riding of Argenteuil-Propre. "The day after defeat, we shall have to begin the job of rebuilding the Liberal party," he said. "John Turner will have taken the Liberal party a step backward."

At the opposite extreme some Conservative candidates had to fight off the temptation to coast to the finish line. Said Bobbie Sparrow, who seemed virtually assured of winning Calgary North. "We're running this campaign as if we're going to win it," he said. "In Manitoba, Gordon Pappas, the Winnipeg lawyer who headed the Tory election team in the province, could barely contain his enthusiasm. "The campaign so far has been fantastic," he declared.

The strategies for each of the parties

In the closing days of the campaign were clear. For Mulroney, who was already looking ahead to his own prime ministership, the objective was to play it safe—and stick to campaign director Norman Ashby's campaign message plan.

Hard-hitting. The Liberals took dead aim at Mulroney on podium and platform from Stoughtonville, Nfld., to Stratford, Ont. Turner, who appeared to be in grave danger of losing his own Vancouver riding of Quana, targeted Mulroney for being a "let's pretend Liberal," a "weather vane politician" who "blows with the wind," said a Canadian version of United States President Ronald Reagan. To underscore the double about Mulroney that Turner was trying to implant in voters' minds, the Liberals launched a hard-hitting advertising blitz last week. One of the new ads "black and white" contained a film clip of Mulroney, during his first run for the Conservative leadership in 1976, advocating a re-examination of the concept of universality, under which social benefits are available to Canadians in all income brackets. Then the ad showed a black film of the Tory leader exclaiming nervously as "a secret trust."

Both the ads and Turner's increasingly strident attacks on Mulroney's credibility, were designed to take advantage of the single remaining edge that, according to private party polls, the Prime Minister has over Mulroney: a three-to-one lead in personal trustworthiness. At the same time, Turner shifted his policy focus from local to national pro-

Broadbent in Victoria; Mulroney, wife Mike and Premier Brian Peckford in St. John's, Nfld.; Gwynne campaigning



grounds in an attempt to reverse his slide. Speaking in Chatham, Ont., Turner proposed an "alternative minimum tax" of at least 18 per cent for about 500,000 Canadians making more than \$60,000 who now pay less than 13 per cent, or nothing. Turner pledged that he would use the estimated \$300 million in new revenues to extend the \$600-a-month Guaranteed Income Supplement (GIS) for seniors to 560,000 needy 64-year-olds. The GIS now applies to people 65 and older, the majority of whom are single women.

Broadbent denounced Turner's tax proposal as an "act of political desperation" stolen from the NDP play book and, after setting the taxi stretch, broad-

casted a ray. On most days he campaigned anti-slump to midnight. And in the private compartment of his chartered Boeing 737 jetliner, Mulroney and a few top aides were beginning to piece together a Tory cabinet. "So far we've just been looking around possibilities," one insider said. "With the Quebec factor in consortia, you can't make definite plans." But the same source indicated that if Mulroney's native Quebec lived up to expectations, there would probably be at least six Quebecers in cabinet. In fact, the only visiting Quebec Tory, Bob LaBelle of Joliette, last week said he wanted to become public works minister as a reward to electors "who kept the torch burning for so long."

Only one significant hurdle appeared

presented federal deficit of \$30 billion.

Mulroney aides indicated that Mulroney planned to offset the cost of fulfilling his campaign promises with estimates of revenues from a revitalized economy that Mulroney vowed to deliver. Charles McMillan, the chief Conservative policy adviser, called the disclaimer "a conservative surprise."

Numbers: If the Tory numbers game looked onerous, it could present the beleaguered Liberals with a final avenue of attack. In the Toronto suburb of Brimley, an outcropping group of young Turner loyalists last week began distributing Tory-blue campaign buttons bearing Mulroney's name and the question, under golden arches that resembled the McDonald's restaurant trademark: "Owe a Million Promises?" In Ottawa, Liberal newspapers were busily trying to cost out the Mulroney campaign promises. An adviser to Industrial Expansion Minister Ed Leamy calculated that the Tory plan to double federal research spending alone would cost the government \$1.8 billion a year. Turner has already put a price tag of \$5.5 billion on Mulroney's pledge to improve the grain transportation system in Western Canada. And, on the second day of the campaign, Conservative finance critic John Chisholm let it slip that over five years, the cost of Tory policies would amount to \$30 billion.

But even if the Liberals had abundant ammunition for their counterattack on the cost of Tory promises, time was clearly on Mulroney's side. With only seven days between the scheduled Tory announcement and voting day, there would be little time for a thorough analysis—and a drive to undermine the credibility of the Tory arithmetic.

The Liberal army contained one other major weapon that could be brought to bear on the new campaign. Pierre Trudeau, As Turner planned his last cross-country tour, Liberal organizers worked feverishly to arrange a dramatic last-minute rule for the former prime minister. Originally, Trudeau, who has spent most of the campaign vacationing in Quebec and the West, intended to limit his participation to two small events—a farewell reception with workers in his old Mount Royal constituency and a brief trip to Toronto to assist his former principal secretary, Jean Gauthier, in Spadina riding. But as party organizers and cabinet ministers from Quebec began to fear that a Liberal disaster was looming in their province, they asked Dorsey to try to persuade Trudeau to appear with Turner at this week's Montreal rally. According to sources, Turner's aide, private party polls last week indicated that the Tories had pulled onto an astonishing two-to-one lead over the Liberals in the traditional Liberal bastion of Quebec. "Quebecers are recep-



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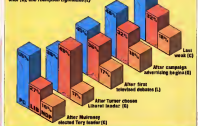
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The Liberal fall from grace

A sample of surveys since July 1983, by Gallup (G), CHRC (C), and Thompson Lightbown (L)



ment mounted a holding exercise designed to maintain the party's gains in the polls during his determined and widely-referenced campaign. "The other two parties are going to argue that every vote for us is a wasted vote," predicted Caplan. Pulling that prediction, Mulroney warned voters last week "When Ed Broadbent gets into policy, he promises with the assurance of someone who knows that he hasn't got the foggiest chance of ever being called upon to implement because the vote will never form a government in Canada."

Pace: In spite of the commanding lead he had taken, Mulroney refused to slacken his pace. "He's just rolling on," said MacAdam, as the Tory leader began a final blitz of Ontario and Quebec — the two key provinces that will decide the election. On the road, the Tory leader continued to insist on 60-5 a.m. wake-up calls and an 80-page package of daily press clippings along with his 8 a.m.

to stand between the Conservatives and a triumph on election day — the cost of mounting Tory campaign promises, which according to some estimates could run to more than \$1 billion a year. Turner has tried to estimate the cost of his promises and the likely source of the new funds. But Mulroney took a different tack. He promised to put a priority tag on all his pledges — ranging from a reformed and enlarged armed forces to pensions for seniors and equity research and development since 1980. That forecast would make it impossible for the Liberals to calculate—and criticize—the impact that a Conservative victory would have on this year's

table to the handwoven effect," the aide noted, adding "That promise has a very strong winner psychology."

And the decline, Turner refused to speculate, even to his most trusted associates, on what election night might hold for him and his party. But he promised his senior advisers that he would "fight right to the bitter end." Last week, Turner did succeed in ingesting new news and signs into his campaign as he attacked Mulroney's Tories and promised to uphold the Liberal tradition of helping the disadvantaged. Only once did Turner let his brave mask slip. In a poignant moment, over dinner with a friend, he confessed that he was an-

xious. "That's a fact, and I don't want to do it," a veiled admission that the Liberal party is not necessarily kind to losers. Indeed, a well-placed Toronto Liberal confided that for the past 10 days, knots of Liberals have been gathering over drinks to discuss the best timing for a leadership convention. "Whenever Liberals get together," he admitted, "they're talking about how Turner's decline will come about and when is the best time for him to leave." In a further cruel twist, insider trading reports filed with the Ontario Securities Commission last week showed that Turner, who sold his stock portfolio for \$80,000.00 to conform with conflict of interest guidelines when he became Prime Minister, could have earned as

much as \$1 million. If Turner's intent to serve as Opposition leader, party officials would have to find him a safe haven to retreat to, and that would mean persuading a Liberal incumbent to step aside. Then, under the party's constitution, Turner would face a leadership review at some point between the spring of 1988 and the fall of 1987. "And believe me, Turner won't have many friends after the election," warned a former supporter.

Leadership: If Turner chose to retire to private life immediately, the Liberal caucus could appoint an interim leader—Jean Chretien, the runner-up to Turner at the Liberals' June leadership convention—while he was possibly by—and the party president would call a

party, was discussing the benefits of teamwork. "I have never seen more of the talent and assets of the party used more extensively," said a senior member of Joe Clark's short-lived Conservative administration. "All of the Tories are playing that team." But insuring to work together has not always been easy, and Tory insiders admit that there are still scars. If, subsequent, showdown between Mulroney's staff and the largely Ontario-based campaign team.

If Mulroney was handsy, campaign director Atkins, a Toronto advertising executive and a senior adviser to Premier William Davis, will receive many of the laurels. "We're tremendously organized and strategic," said a Tory assistant director Jack Johnson. That is almost a total reversal from the mood that prevailed in the Tory caucus just three months ago. Then, the Liberals were in the midst of their headline-generating leadership race and the polls indicated a Liberal resurgence. As Atkins's bidding, Mulroney was out recruiting voters in small-town Canada—and his parliamentary caucus had begun to complain that he was never in Parliament and rarely on the television news. In reply, Mulroney ordered an aide to collect all the front-page coverage he had been receiving in small-town newspapers and to distribute photocopies to Conservative MPs. The complaints abated. Noted an aide, "It was established his credibility in the original press and now we're reaping the benefits." But along with a palpable sense of pride in their own accomplishments, most Tories felt a sense of relief about the suddenly hapless Liberals.

Mistakes: With Liberal postmortems under way with in advance of polling day, one faction was convinced that Turner's last serious mistake was to call a snap election. That forced the Liberals to abruptly abandon a strategy and organization, while the Tories had been planning and preparing for almost a year. What Turner's critics tended to forget was that he had been under immense pressure from his cabinet and caucus to go to the polls immediately.

If that was a poor decision, it was at least matched by another major blunder: Turner's decision to announce Trudeau's appointment of 15 MPs to parliament before the election. He ended the election. In interviews, many Liberal candidates disagreed in particular with the appointment of ex-Byrne Mackay as ambassador to Portugal. In the ensuing controversy over the appointments, Mulroney's Tories were emboldened. Turner could only struggle to excuse by insisting that he had "no option." Compounding his problems, Turner failed to launch any attention-grabbing initiatives to deflect the country's attention. The reason, admitted a senior Turner

aide last week, was painfully simple: Turner began the campaign without a clear strategy paper.

The polls began recording a steep decline in Liberal fortunes shortly after the informal leaders' debate on July 24 and 25. Turner looked worried and nervous on camera. By contrast, Mulroney smiled placidly through both the French- and English-language interviews and broadcast news viewers' requests for his appearance in stinty and his command of detail. Then came a series of small but damaging errors: Turner

After Davy succeeded Loss, Turner's style on the hustings changed dramatically. Shifting away from his earlier strident, no-nonsense stance, he began mentioning guest artists on Mulroney. He announced that the Tory leader of ministerial appointments in Quebec, then of possessing a "hidden agenda" of social service cutbacks and tax increases. Last week, he stepped up his offensive. Liberals were divided over the wisdom of Turner's media strategy. But Davy contended that the party's own polls showed that Turner was narrowing the gap.

Turner's mid-campaign change in style was accompanied by a change in substance. Instead of attacking the need to bring the government's burgeoning deficit under control, he began promising a series of modest programs to help the disadvantaged. His social proposals—aimed at helping needy single parents and supporting a minimum income tax rate—reflected Davy's conviction that the Liberals had to return to their traditional strength as the party of the middle class. But Turner's policy pronouncements were for the most part overlooked by a spate of polls indicating that a substantial majority of voters had already made up their minds to vote Conservative.

Roadside: The Tories were ready for victory. If he won, Mulroney planned to remain in his new northern Quebec riding of Montserrat for a day or two after the election and begin phoning prospective cabinet members. He could be ready to be sworn in as Canada's 18th Prime Minister within two weeks.

If the Conservative take over in Ottawa, some senior civil servants can expect to lose their jobs. But Mulroney reportedly has decided to keep Gordon Osherson, a highly competent, non-partisan career civil servant. In his role as clerk of the Privy Council, the highest position in the civil service, a Mulroney aide declared: "There will be no massive bloodletting; that public servants who have been highly political should know enough to get out of town."

If the Liberals are defeated, a large number of Liberal politicians, their party's chairman in Ontario, may have to leave travel plans as well. As election day nears, the mood at Conservative headquarters is one of unbridled euphoria. "The Liberals totally underestimated us," gloated Jack Johnson. But in Liberal circles, the atmosphere smogged almost hourly from deep depression to the furthest starings of hope. "We're on a roll," North Bay bravely maintained. And "it's not over until the victor is in bed." In fact, it is. But in reality, at any day, it

With Jean Osherson as the Mulroney lead, Tory Ministers on the Turner team: Steve Thomas in Calgary and Roger Newman in Winnipeg.



Joe Clark campaigning on Alberta main roads; Chretien with senior officers in Montreal, N.E., clear strategies

comfortable with his aggressive campaign style. He considered his own more cutting personal attacks on Mulroney distasteful and dishonorable. "They (Liberal strategists) are trying to change me," he lamented.

Fear: For their part, friends of the Prime Minister are already worrying about how he would cope with a crushing electoral defeat. "He has a great fear of failure," confided an associate. But there were other reassurances in the party. Said a Liberal Ontario organizer: "I hope with all my heart that Turner loses. He's got a great fear of failure." The Prime Minister told a senior party official last week that "viva, lose or draw. I'm staying with the Liberal party." But, in that same official later told

other Progressives if he lost would be the current stock market losses.

The post-election tangle centered on two scenarios. In the first—which seemed unlikely—Turner would win his Vancouver seat, where a pre-election poll showed the Tory incumbent leading the Prime Minister, but lose the election. He would then serve as leader of the Opposition. But according to Liberal back-room veterans, it would be a very noisy and uncomfortable opposition. "People are really quite bitter," said a senior Ontario organizer. "If [Turner] tries to hang on, he's ultimately doomed. I would prefer that the surgery be quick and clean."

But the more likely scenario was that Turner would lose both his seat and the election—a prospect that would leave the party with a range of unpleasant

leadership succession. Many who supported Chretien in the June leadership contest are calling for a quick convention, hoping it would turn into a Chretien coronation. But members of the party's reformist wing favor the appointment of a caretaker leader for a year or two—in order to give the bedraggled Liberals time to do some necessary soul-searching. There was a common assumption underlying all the Liberal speculation about the defeat that they fear is impending afterward, the party is in for a period of wrenching internal divisions. "On the night of Sept. 4, you'll see henchmen and henchmen lying across the country," predicted a Turner loyalist.

While the Liberals' traditional solidarity appeared to be crumbling, the Tories, who have been plagued by internal dissension since the DeLoebaker



Stella Turner waving away, acclamation

mistakenly identifying Mulroney as a province in economic decline and then—in a now-legendary pair of incidents—putting the bottoms of two prominent Liberal women. Turner's guff and a dispute over the use of party funds for campaign advertising contributed with William Lee's resignation as campaign director on Aug. 4 (Maclean's, Aug. 18). With the election at its midway point, Turner's newspapers appeared to be in ruins.

The issue is leadership

By Susan Riley

It has been an election campaign rich with promises but poor in ideas that could fire the imagination of the voters—or the men and women seeking their support. Beyond a general course about unemployment and the economy, no single issue has dominated the political agenda. Still, some special interest groups devoted to a single cause—stopping testing of the ozone mantle, reducing the deficit or increasing day care funding—have forced the politicians and the electorate to pay attention, however briefly. But for the most part there has been no grand clash of ideas on the campaign—indeed, few new ideas at all. That, apparently, is not a major concern with voters. Declared Gerald Tremblay, a 28-year-old Montreal politician, "Issues do not matter. It is the man."

Carleton University political scientist Joe Pannett, for one, argues that Canadians are far more "leader oriented" than British or American voters. Election issues, says Pannett, are important primarily for the qualities they reveal in the leader presenting them, such as resolution, conviction and courage. Allan Primel, director of the Carleton University-Southern News poll, said that only two per cent of Canadians listed paragonage as an issue in the campaign after Prime Minister John Turner appointed Liberals to government positions on the eve of the election. And 74 per cent of those polled believed all parties would do the same if given the chance. The issue became important because it terminated Turner's image as a competent manager, says Primel.

Despite those findings, leadership remains an issue riddled with complications and controversy. Declared Michael Adams, president of Economics Research Group Limited, a Toronto public opinion researcher, "The components of leadership are very complicated, they involve everything from physiognomy to politics." As well, political scientists such as Pannett contend that voters are focusing on leadership instead of issues because the parties have markedly similar policies in key areas—and a CBC poll last week showed that 68 per cent of Canadians do not perceive any real differences between the two major parties at all.

For its part, the CPC has submitted precise, detailed policies on interest rates, energy and foreign investment

But unlike the two larger parties, the NDP has no chance of forming the next government. As a result, its proposals receive less intense scrutiny and its campaign director Gerry Caplan, for one, says that the party's chief purpose is to produce ideas that the other two parties can steal. Indeed, last week Turner lifted an NDP platform pledge on tax reform, pledging that approximately 100,000 Canadians earning more than \$60,000 a year would pay at least 13 per

cent would provide a general accounting this week of campaign promises that some observers believe could cost as much as \$4 billion annually. The Liberal's own costs for fulfilling election promises added up to about \$1.3 billion and the NDP's pledges to roughly \$3.0 billion, which the party says would be partly offset by the \$8 billion that it would try to raise by closing corporate tax loopholes. Said Kathy Peck, a 27-year-old undecided voter who lives in Killaloe,



Prime Minister Mulroney, Charest, and other political figures sitting together outdoors.

cent in federal income tax under a Liberal government. The increased \$300 million in federal revenues, the Prime Minister would be used to enhance welfare payments for impoverished older Canadians. NDP leader B. Broadbent labelled Turner's action another cynical shift of policy. But many politicians, weary that voters concentrate less on the content of pledges and more on the origins of their bestowing law after the election.

On the surface, at least, the Liberals and New Democrats appeared to be the most scrupulous about assigning cost figures to their pledges, although all three parties juggled numbers and assumptions about the economy to suit their purposes. The Tories said they

cut. They expect have it both ways if they stop promising on the world as a whole, rather, or they stop promising to cut government spending."

Among the major policy programs in key policy areas:

Youth Unemployment

All three parties have advanced top-priority programs to deal with the problem of Canada's 520,000 unemployed people between the ages of 15 and 24. The first party to make a specific pledge on the issue was the CPC, which on July 26 announced a \$1.5-billion Youth Initiative Program that would give young entrepreneurs between the ages of 15 and 24 up to \$10,000 in grants to create new jobs. Then, the Tories unveiled a

similar \$250-million Youth Employment Program. And on Aug. 1 John Turner unveiled the Liberal's \$1-billion First Chance programs, which would pay people \$30 per week in apprenticeship programs. Although they differed in detail, the programs from the three parties were widely seen as Band-Aids—not weeklies—for the underlying economic problems during young people across the country. Said Adams: "Unemployment is the number 1 issue in the public mind, but it will not determine the outcome of the election because no one party is seen as having the solution."

The Economy

While public opinion polls showed that the \$30-billion federal deficit is a major issue only in the minds of a small

Social Programs

percentage of voters, Turner, Mulroney and Broadbent all agreed that the deficit will probably rise next year, and they pledged to reduce future expenses. But neither the deficit nor the declining value of the Canadian dollar emerged as major issues. The NDP was the only party to say that it will lower interest rates, which are expected to begin rising after the U.S. presidential election this fall. In one of the most controversial proposals of the campaign, Broadbent proposed halving interest rate increases to within two per cent of the annual rate of inflation. The NDP leader also suggested imposing a "silverware" tax on any Canadians moving more than \$50,000 out of the country in search of higher interest rates.

Foreign Policy

According to the polls, only two per cent of Canadian voters consider disarmament to be a key issue, despite frequent demonstrations against cruise missile testing and other surveys indicating that 80 per cent of Canadians favor a nuclear freeze. Turner and Mulroney took similar positions on the so-called peace issue that a nuclear freeze is desirable but that Canada cannot unilaterally impose this position while resuming a loyal member of the North Atlantic Treaty Organization. The New Democrats—and some prominent Liberals, including party president Jean Chagnon and Transport Minister Lloyd Axworthy—argue that Canada

should endorse a freeze, pointing out that other NATO countries, such as Greece and Denmark, have done so without jeopardizing their membership in the alliance.

Energy

Last week John Turner accused the Conservatives of having a "hidden agenda" to eliminate federally run Petro-Canada's exclusive right to a 25-per cent share of energy discoveries in offshore oil and gas fields. Tony Isaacs critic John Crosbie denied the charge but said that the share would be made available to private companies.

In one of the most controversial statements of the election, party energy critic Patricia Carney said that the federal Tories had a part of silence with the



March in Alberta; peace marchers in Vancouver; components of leadership involve everything from physiognomy to policy.

seven per cent premium—Brian Peckford of Newfoundland, Richard Hatfield of New Brunswick, James Lee of Prince Edward Island, John Buchanan of Nova Scotia, William Davis of Ontario, Grant Devine of Saskatchewan and Peter Lougheed of Alberta. "And that," she explained, "has been by very careful design because... we do not want energy to be an issue in this campaign." The Conservative leaders denied the Carney account as a premature meeting last week. On other major points Liberal and Tory policy are identical both want to tax oil company profits instead of revenues and both favor a move to world prices, which would mean a three-to-five-cent increase per litre of gas.

With correspondents' reports



Worthington (left), McDonald and Liberal candidate Ken Polger invited campaigner but a shrewd swing in the Tories

COVER

The Grip of the Blue Machine

By Ross Laver

While Progressive Conservatives break through in Quebec and Liberals look for gains in the West, the eyes of most party strategists on election night will be on Ontario. With 30 seats at stake, the nation's most populous province has almost twice as many ridings as the Prairies and three times as many as the Atlantic provinces. Not only that, but Ontario voters are among Canada's most fickle, switching party allegiances with an alacrity that goes even veteran politicians' election-day batterings. In the 1972 election the province delivered a victory to the Conservatives by returning 57 Tories, compared to 38 Liberals and six New Democrats. But Ontario's housewrens with Joe Clark's minority government lasted only nine months. In the 1980 election the Tories fell to 38 seats, and the slip slipped to five in the province, while the incumbent Liberals under Pierre Trudeau moved up to 68.

The results next Tuesday promise to be no less dramatic. Indeed, with barely a week left in the campaign, the Conservatives appear poised for sweeping gains across Ontario. Tory confidence, already high, soared last week after CBC television news released a poll indicat-

ing that the party held 68 per cent of the desired Ontario vote—an impressive showing even by the standards of the 1972 election, when the Tories garnered 51.6 per cent. By contrast, the poll survey found that the Liberals were the choice of only 31 per cent of Ontario voters, while the NDP had improved from a record of 16 per cent before the campaign began to 30 per cent. Tory MP George Hies, for one, said that indications on the rim of the vote displayed at the hallmarks of the John Diefenbaker upset in 1958, when the Conservatives won 306 seats including 51 in Ontario. Declared Hies, a 39-year veteran of federal campaigns, "It is keeps going the way it is now, there is no doubt that we are going to have a clear majority."

Issues: For all their differences, the three major parties are consistent in their perception of the issues. "Jobs and the economy—that's all most people want to care about," said Barbara Sullivan, co-chairman, with Herb Gray, of the Liberals' campaign in Ontario. Tory campaign chairman William McLean agreed with that assessment but said that voters are being swayed less by the specific promises each party makes than by their overall assessment of each leader's abilities. "People in this province are looking for someone they can have confidence in, someone who can manage

the economy effectively," said McLean. And new Ontario co-ordinator Gordon Bragdon told that such personal issues as abortion, capital punishment and the environment "are attracting a bit of interest but they really don't seem to be much of a factor this time. What really matters is jobs."

Still, officials from all main parties agree that Ontario's 5.8 million residents are generally better off than their counterparts in other provinces. After years of some of its traditional economic lustre in oil-rich Alberta in the 1970s, the province has emerged from the recession to reclaim its position as the country's economic growth leader. The Ontario government expects the provincial economy to expand by 4.7 per cent this year—well ahead of the Conference Board of Canada's projected national growth rate of 3.4 per cent. But some 618,000 Ontarians remain out of work, and most analysts say the jobless rate (currently 8.6 per cent of the work force, compared to 10.9 per cent nationally) will remain high until economic developments elsewhere, including reduced oil and gas exploration in the Persian Gulf and off the East Coast, begin to benefit Ontario manufacturers.

To rally support, the federal Tories have helmed a smooth and efficient campaign organization in Ontario, largely because of solid backing from its majority



Liberal John Reid campaigning in Kanata-Royal, a Conservative safe swing

provincial wing. In the 1980 federal vote Ontario's fabled Big Blue Machine out- virtually did the work of victory between Clark and Premier William Davis over the federal government's plan to raise energy prices. This year Davis has ordered his provincial workers to do their best to elect the Conservatives under Party Leader Brian Mulroney. Davis, unquestionably the most popular political figure in the province, has made frequent campaign appearances with Mulroney and exhorted voters to support him as a "sensative leader" who will run an effective federal government. As well, as Mulroney's closest

we're the ones who are well organized," said Tory candidate Jack McDonald, "so which can you be captured from the Tories in 1985. But the NDP also faces strong challenges in Brampton-Greenwood, where New Democrat Lynn McDonald is waging a pitched battle against Tory MP Worthington, a former newspaper editor, and Spadina, where New Democrat Dan Hoag is in a tight three-way race with Tory Ying Hope and Liberal James Costas. Trudeau's former principal secretary, Bessie, party strategists claim that say Mr. Jones in Metro Toronto could be more than offset by victories in Northern Ontario and Windsor, two areas in which the party traditionally runs a close second to the Liberals. In Essex-Windsor, held for 22 years by Stephen Whelan, the Liberal, 58-year-old Longman is making the final attempt to win the riding. And local observers say he has a reasonable chance of victory.

London: the NDP is spring Windsor



soy in Windsor and the North is far from certain. Among the more promising players for Tory gains is Niagara Falls, where Liberal incumbent Alister Macdonald is fighting Tory Robert Nicholson as well as an enigmatic, albeit Canadian, Human Rights Commission ruling that he actually harassed a member of his staff. The Tories also have targeted the close London seats as potential swing ridings.

But not the Conservatives' biggest hope are in the 29 ridings in and around Metro Toronto. The city's many ethnic neighborhoods west of Yonge Street are Liberal bastions, and government was poured an estimated \$500 million in job creation money into their ridings in a pre-election bid to shore up their chances. But the Tories are confident that they can pick up as many as 11 seats, most of them east of Yonge and on the suburban fringe.

At the same time, New Democrats point to their party's improved standing in recent polls as a sign that they can hang on to their three Metro Toronto seats. NDP strategists admit privately that their most vulnerable seat is Brampton, a trendy riding on the outskirts, in which the party captured ground from the Tories in 1980. But the NDP also faces strong challenges in Brampton-Greenwood, where New Democrat Lynn McDonald is waging a pitched battle against Tory MP Worthington, a former newspaper editor, and Spadina, where New Democrat Dan Hoag is in a tight three-way race with Tory Ying Hope and Liberal James Costas. Trudeau's former principal secretary, Bessie, party strategists claim that say Mr. Jones in Metro Toronto could be more than offset by victories in Northern Ontario and Windsor, two areas in which the party traditionally runs a close second to the Liberals. In Essex-Windsor, held for 22 years by Stephen Whelan, the Liberal, 58-year-old Longman is making the final attempt to win the riding. And local observers say he has a reasonable chance of victory.

Despite signs to the contrary, the Liberals insist publicly that they will hold most of their ridings, and will achieve up to 10 per cent of the vote in the western part of the province. Privately, however, they concede that the campaign has become an exercise in "damage containment."

Still, for many Liberal candidates Sullivan's prescription may be too late. Indeed, many Liberal workers have been surprised to discover that the Tories' connection has hurt rather than helped their efforts to build local support. Said John Cosman, campaign manager for Liberal George Spal in Kingston: "If the [Spal] wins it will be in spite of the national campaign. If the loss, it will be because of the national campaign." With correspondence reports.

huttle with Conservative candidate Bob Sherman, a former *Wanlap* broadcaster and provincial health minister who represented part of the riding in the March 29 election—and emerged last winter as a leading opponent of plans to extend language rights to Manitoba's francophones. Gail Gosselin, a little-known Liberal, is running for the New Democrats. But even her campaign manager, Paul Leonard, admits that the race is strictly between Ainsworth and Sherman—and that "anything could happen."

Going into the campaign, Ainsworth appeared to have a firm grip on the riding, which has been a major beneficiary of the province's \$750 million in federal grants and handouts since he was elected in 1989. But since then, the affable, energetic Sherman—campaigning on promises to improve the national system and expand pension benefits—is now running nearly neck and neck with the Liberal incumbent. A local radio station poll that gave Sherman a 49-to-33 point lead over Ainsworth last week was denounced by Ainsworth's campaign manager, David Walter, who insisted that his man had a three-to-two lead. An informal McKenna survey of 36 houses in a volatile, middle-class section of the riding found six voters backing Ainsworth, five for Sherman, two for Gosselin and six undecided. While Ainsworth may hold a slim lead, a Conservative landslide could easily blow it away next Tuesday.

Aaslinhoia

Len Gustafson, the Tory incumbent in the popular, affluent riding of Aaslinhoia, strode confidently along Third Street in downtown Whistler last week, shaking the hand of every passer-by. But Gustafson "is a politician's politician," says a local resident. This beanster in a tick of a hat comes when you enjoy meeting people? Gustafson is so confident of holding his seat in the Sept. 4 election that he is forecasting the biggest winning margin ever in Aaslinhoia. That is a bold claim in a constituency that has produced a federal three-way race. In fact, the margin of victory in the past six campaigns (including a 3271-vote margin) averaged 56 per cent, and the largest majority was 51.5 per cent in 1918.

In 1978, Gustafson, a farmer from the town of Mission, beat Liberal Ralph

Goodale by a 1,598-vote margin and he was re-elected over Goodale again in 1980 with a plurality of 1,084.

After his losses to Gustafson, Goodale left federal politics to become the provincial Liberal leader. Gustafson's major challenge on Tuesday is expected to come from NDP candidate William Adamack, a former from Limerick. Liberal hopeful Larry McKenna, a 58-year-old rancher-farmer from Opeyia, is not considered a serious threat.

The riding, which contains some of the best wheat fields in Canada, has felt the effects of a severe six-month drought, and agriculture issues, includ-



Ainsworth: when one woman had a brief moment

ing an income-supplement program, have dominated the local campaign. "The Western Grain Stabilization fund is a major issue with people, especially those who are caught in a cash squeeze," declared Gustafson. "We were calling for a payout from the fund a year and a half ago, and now that the Liberals are finally doing something it turns out the maximum payment is only \$1,000. People are not happy with that kind of treatment." Adamack confirms the importance of the farm economy issue but he argues that it is working to the NDP's

advantage. Says Adamack: "When your back is to the wall, nothing will activate people. The pressure on their pocketbook, and that is what is happening in this constituency."

Vancouver Centre

In British Columbia officials from all three major parties consider the residents of Vancouver Centre to be among the most unpredictable and independent voters in the province. One reason: In 1979 the riding backed the crowd in the province's 27 other constituencies, where Tories won 19 seats and the New Democrats eight, and narrowly elected former mayor Art Phillips, then the only Liberal on the slate of "Wingspans." Dubbed the "mountain riding" for the closeness of its vote, Vancouver Centre has the added reputation for being hot. In the 1980 election voters sent an energy critic Pat Carney in Ottawa in a tight three-way race which saw the major candidates finish within 1,800 votes of each other.

Now Vancouver Centre offers a rare of former journalists, with Carney and NDP newcomer Johannes den Hertog, a former trade union newspaper editor, apparently vying for the prize. Polls indicate that Liberal Paul Manning, whose candidacy has suffered from poor local organization and a faltering national campaign, is running third. In 1979 Manning, a former Vancouver Province reporter and longtime vice president of B.C. Union, ran a nation in neighboring Vancouver-Quattro riding, in which local polls indicate that Prime Minister John Turner may finish in third place.

The riding includes the city's business district and a wide cross-section of people: professors, students, citizens of Chinatown, homosexuals and welfare recipients. Since her victory four years ago Carney—also a former newspaper journalist—has maintained her popularity by giving voice to her constituents' demand for tougher laws against prostitution, a thriving trade in the riding. Yet den Hertog, too, has developed a rapport following with his advocacy of rights for homosexuals, an estimated 20,000 of whom live in the constituency. She compares the federal Tories to the provincial Socialists—who are unpopular in Vancouver Centre, particularly after William Bennett's government removed control last June. The theme has struck a chord, but Carney's strong organization and her frequent appearances on the non-issue 680-club from Ottawa—appearing to glow her in the campaign's last week.

For Michael Chagnon in Delta, Art Phillips in Delta, Robert Dhill in Toronto, Mark Douglas in Whistler, Dale Eiler in Whistler, Sue, and John Pearson in Vancouver.

COVER

The Rhinos are coming

With a platform made up of three starkly simple planks—"tax, drugs and rock 'n' roll"—and additional promises to repeal the law of gravity and provide tax credits to Canadians for sleeping, the Parti Rhinoceros might expect to be roundly ignored by voters on Sept. 5. Yet the party stands a chance of winning, and even surpassing its showing in the 1986 federal election, when 130 candidates won 325,000 votes—1.1 per cent of the total—and the party actually fin-

ished second in two Quebec ridings. Founded by Quebec native who wanted to satirize federal politics, the Rhinos are the latest serious, but one of the most visible of the eight sanctioned fringe parties who managed to nominate the required 30 candidates, putting up a \$500 deposit for each one. They include the British Columbia-based, pro-environment Green Party of Canada, with 56 candidates in six provinces; the Confederation of Regions Western Party, which is running 50 candidates in the four western provinces and advocates separating Canada into four autonomous regions; the Conservative Party of Canada, which has nominated 52; the little-known Libertarian Party of Canada, which fielded 72 candidates across the country; the Parti National

Quebecois, an offshoot of Quebec's ruling Parti Quebecois (which recently failed to win Premier René Lévesque's backing), in naming candidates in the province's 15 federal ridings; and the neo-fascist National Social Credit Party of Canada with 51 candidates in six provinces.

McKenna, unlike most of the other fringe parties, which tend to bring a deadly seriousness to obscure or lost causes, the Rhinos—still recently, at least—were only interested in having fun. Their putative leader, Corneille, is

one. He chose the rhinoceros as the symbol, he explained, because "it is a slow-witted animal that can move as fast as hell when in danger. And it knows to waddle in the mud."

Until 1979 the Rhinos were active only in Quebec and among francophones. Charles McKenna, a 40-year-old unemployed journalist and native of Vancouver, who is now the party's national campaign director, became the first anglophone to join. He began to promote the party in other provinces. Today, party officials say that Rhinos support out-



McKenna (left) with Rhinos candidates; a supporter (right) sex, drugs, rock 'n' roll and a conspiracy to overthrow the government

ished second in two Quebec ridings.

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The party was the brainchild of Dr. Jacques Ferron, a surgeon and humorist who was unhappy about the media's bashing and the threatening tone of antifederal protest in Quebec in the 1980s and founded the party to serve as a peaceful outlet for disgruntled Quebec-

nade Quebec is strongest in Ottawa, Peterborough, Ott., and Vancouver. "Anyone can be a candidate provided they don't promulgate racism, racism or violence," says McKenna.

However, not some observers believe that the Rhinos are not what they used to be, and indeed some of its members are exporting real issues. "They're just their parade," says Nick de la Motte, a Montreal city councillor who is running for the Conservatives in Notre-Dame-de-Grâce-Lachine East. For their part, the Rhinos have not overlooked the possibility that they might be a riding on Tuesday. If that happens, says McKenna, the elected Rhinos would take his seat in the House. "As \$32,000 a year," notes McKenna, "we'd be extra rich." —BRUCE WALLACE in Montreal

Reagan: ready on the right

By Lenny Glynn

Appropriately, it was the grand old man of American conservatism, 75-year-old Arizona Senator Barry Goldwater, who captured the essence of Ronald Reagan's drive for reelection last week. "Members of the service," he told 3,235 embittered delegates to the Republican National Convention in Dallas, "we have a leader, a real leader, our commander-in-chief President Ronald Reagan." It was a theme sounded again and again—by former president Gerald Ford, US Ambassador Jeane Kirkpatrick, Senate majority leader Howard Baker and a host of other Republican luminaries. It seemed amid the ballroom, lamp-lit, out-of-control, cowboy hats, flags, and red, white and blue dunes in the sweltering heat of Dallas and in the frigid air conditioning of the Grand Old Party's 38th national convention. The delegates came not just to reelect Ronald Wilson Reagan, but to celebrate him. After what amounted to a coronation, Reagan left Dallas at week's end, riding a wave of emotion that his aides hope will carry him to victory in November.

In his acceptance speech the avuncular president sounded one of the most important aspects of his support: he delivered a spellbinding address that clearly played on the delegates' deeply entrenched desire for a revival of old-fashioned patriotism, old-fashioned values, old-fashioned free enterprise and a restoration of the standards that they associate with the last governors of the United States. Declared Reagan: "America is presented with the direst political choice of half a century. The choices this year are not just between two different personalities or between two political parties. They are between two different visions of the future, two

ways of governing: their government of pessimism, fear and limits, or ours of hope, confidence and growth."

With no opposition and little dissent over the party's platform, last week's convention was an ideal sounding board for the Reagan campaign's three keywords: Moderality, strength and op-

Reagan himself arrived to a tumultuous reception on Wednesday. Against the backdrop of a 500-foot U.S. flag in the cavernous atrium of Dallas's futuristic Lovers Austin Hotel, he regaled supporters with some stirring rhetoric of his own. "We will be America's party because the American dream begins



Reagan with wife, Nancy; delegates (opposite) whipping up an intensely partisan audience

tion. Repeatedly, the Republicans contrasted the current state of the U.S. economy, military clout and national mood with what keynote speaker Katharine DuValle Krings described as the "chaos" of "these Carter-Mondale years." As Nevada Senator Paul Laxalt put it in an effusive welcoming Reagan, President Carter and his hand-picked vice-president, Walter Mondale, and this nation on its knees. In four short years President Reagan has helped to rebuild the confidence of the American people.

With such rhetorical fanfare whipping up an intensely partisan audience,

with opportunity. We'll do it because we don't just stand for Great Old Party. It also stands for Great Opportunity Party." By contrast, Reagan charged, the "I" in Democrat "has come to stand for defeatism, decline, dependency, doom and despair."

Beyond the crowds in Dallas, last week's convention also hinted at the future of the Republican party itself. Almost without debate, the convention accepted the most conservative political platform adopted by a major U.S. party since the Second World War. At the insistence of such populist far-right-wingers as New York Representative



Jack Kemp—as an all but certain presidential candidate in 1988—the platform eventually rules out any increase in taxes to close the massive \$300-billion (US) budget deficit.

Not only that, but the platform vows to increase savings incentives through further tax breaks, eliminate federal subsidies for low-income housing, support efforts to reintroduce Christian prayer in public schools, ban abortion, tighten immigration laws, employ capital punishment and endorse action on housing as a means of combatting discrimination. At the same time, the platform studiously avoided any mention of the equal rights amendment, which Reagan has steadfastly opposed.

In foreign policy the Republicans opted to endorse an overwhelmingly hard line. It endorses a continued arms build-up to maintain U.S. technological superiority over the Soviet Union. Further, it favors the development of so-called Star Wars satellites and antisatellite systems. It insists that any arms control agreements with Moscow can only be based on U.S. strength and warns that "Narcissus cannot be allowed to remain a Continental sanctuary."

Such unabashed conservatism marks the rise to dominance of the Republican right, a mainly southern and western constituency first solidified by Goldwater himself during his losing 1964 campaign. Indeed, observers noted that Goldwater's revival of a painfully lost 1964 campaign—"The issue is the defense of liberty is at stake"—was greeted with loud approval from the delegates in Dallas. Determined to shrink government's role as a source of welfare while strengthening the military and waging a global campaign against communism, the "New Right" counted Reagan as a charter member. An aging actor whose career was waning two decades ago, Reagan rose to national prominence with a pivotal 1964 TV address on behalf of Goldwater.

What became known as "The Speech" combined opposition to big government in Washington with an equal measure of affinity against the Soviets. But with the nominations of two conservatives, Richard Nixon in 1968 and 1972 and Gerald Ford in 1976, the Republican right seemed eclipsed. Ronald Reagan's 1980 victories—first over moderate Republicans in the primaries, then over Carter in the general election—changed all that. By last week, in fact, the GOP's most conservative strain looked like the wave of its future. Speculation on a potential 1988 presidential candidacy, a principal activity at this unconstrained convention, focused principally on Kemp, the guru of the populist right and a specialist in economic affairs. Indeed, Kemp appeared at the convention with 5,000 copies of his paperback treatise,



Reagan conferring with former president David Ford: a new dominance of the party's far right

The American film, and bushels of ballots reading "Kemp '88." Vice President George Bush, Tennessee Senator Howard Baker and Kansas Senator Robert Dole—candidates and almost certain candidates all—clearly face uphill battles to lead the post-Reagan Republican party. In a survey of almost half the delegation, the Dallas Morning News revealed that Kemp is already ranked second behind Bush as party popularity.

A more immediate concern is getting Reagan re-elected. But after a heady round of Mondale- and Carter-bashing and after the pleasure of watching Geraldine Ferraro dodge charges of financial wrongdoing (page 28), few Republicans were roused last week to worry much about November. Indeed, there was speculation not just of victory but of a landslide Republican strategy last week were planning to target the Mondale-Ferraro base in the Midwest and Northeast. They are confident that their own strongholds in the South and West will deliver for their ticket without absorbing much of Reagan's or Bush's previous campaign time.

In jettisoning the long-term prospects for the "New Right" the Republicans are hoping this year's campaign may cement a new dominant coalition in U.S. presidential politics for the rest of the century. "It is in the same coalition that elected Nixon and almost elected Ford," says Roger J. Stone, northeastern re-

gional director for the Reagan drive. "It is a coalition of traditional Republicans—upper-income white Protestants—with middle-income, middle-educational level, blue-collar, ethnic, Catholic and Jew. The future of the Republican party lies in adding to that coalition middle-class blacks and, in increasing numbers, Hispanics."

Such a "broad-based" linking the well-to-do beneficiaries of Reagan's tax policies with "Arlene Bunker" working-class voters concerns about crime, welfare fraud and military strength, has long been a Republican dream. But this year it may well be within reach. Though millions of workers were laid off, some of them permanently during the 1981-1982 recession, this year's buoyant economic recovery has restored many of their jobs. It has also substantially boosted the incomes of the middle and upper classes as well. U.S. influence is currently lower than most Americans ever expected to see it fall, and with a record wave of credit buying under way, consumer confidence is the highest in years.

These raw indices of Reagan's fitness question—"Are you better off

that you were four years ago?"—are reflected in his popularity ratings, which have climbed back to new highs after dropping along with the economy in 1982. In contrast to such immediate gratifications, fear over the implications of record U.S. deficits are remote to most voters. Few suffer any constancy for the inflation-prone, high-interest years of the Carter administration.

Similarly, Reagan's checkered record in foreign policy—a controversial covert war in Central America, the breakdown of arms talks and the death of 230 U.S. Marines in terrorist attacks in Beirut—has not set deeply into his appeal. Under his presidential predecessors Reagan has achieved no major treaties, and he suffered a worldwide setback in Lebanon. Still, he has managed to convey an image of steady resolve

and avoid blame. His ability to deflect blame for foreign policy failures once prompted a woman representative to nickname him "the Teflon President. Nothing sticks." In contrast to the way the pressure of office made Carter "seem to grow old before our eyes," as Kemp told cheering Republicans last week, the 59-year-old Ronald Reagan actually seems to be getting younger. Reagan's capacity to escape charges of aloofness and indifference to the plight of the poor, jobs about bombing the Soviet Union, false long vacations and unexcused campaign meetings without suffering serious political wounds has been extremely frustrating for his Democratic opponents. And the momentum that his candidacy picked up last week, the hysterical embrace of the Dallas convention hall will make it even more difficult to defeat him. Unless they can find a chunk in the Teflon armor that has so far shielded Reagan from his own mistakes, Democrats Mondale and Ferraro may find the elderly but still active former film star moving easily past them for another four years in the White House. ☐

Goldwater approval



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☐ YES ☐ NO

I believe that no child should ever have to do without nourishing food, decent housing, medical care, or schooling.

☐ YES ☐ NO

I think that the best way to help children is not through handouts—but rather, by teaching families and communities to help themselves.

☐ YES ☐ NO

I believe that impoverished children should receive help within their own families

☐ YES ☐ NO

I especially wish there were an effective way I could personally help just one desperately poor child and family.

☐ YES ☐ NO

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☐ YES ☐ NO

If I could help a child for as little as 75¢ a day, I would

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<input type="checkbox"/> \$15.00 Off Semi-Annually <input type="checkbox"/> \$27.00 Off Annually	
<input type="checkbox"/> I am a teacher or a Foster Parent right now. However, I enclose my contribution of \$_____. Please provide more information <input type="checkbox"/> Tel: No _____	
My <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss <input type="checkbox"/> _____	
Address _____	
City _____ Prov. _____ Code _____	
<input type="checkbox"/> I wish communication with PLAN to be in English <input type="checkbox"/> French <input type="checkbox"/>	
<small>PLAN agencies include: Colombia Ecuador Egypt El Salvador Guatemala Honduras India Israel Kenya Liberia Malawi Nicaragua Nepal the Philippines Rwanda Senegal Sierra Leone South Africa Thailand Tanzania Uganda Zambia Zimbabwe</small>	
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A feisty Ferraro takes the offensive

By Michael Posner

For half the week, questions about Democratic vice-presidential candidate Geraldine Ferraro's finances had crippled her campaign—and that of her presidential running mate, Walter Mondale. But last week, feisty and unrepentant, Ferraro used the offensive. After a weekend spent conferring with lawyers and accountants, Ferraro released her own and her husband John's financial personal tax returns for the past four years (1979-82). And, as she had pledged, the documents revealed that the couple had paid almost 40 per cent of their income in taxes—more than a fair share, according to tax experts. Then, during a 90-minute news conference at the Vatican International Hotel at Kennedy Airport in New York, Ferraro proudly faced her critics. She insisted that her disclosures were the most exhaustive in American political history and that they exposed no intent to evade the law, even though she conceded having made some technical errors.

It was, by most measures, a brown performance. And if Ferraro's actions did not finally resolve all the outstanding issues relating to her personal finances, they seemed to lift the pall of gloom that had begun to hang over the Democratic national ticket. By midweek she had returned to the headlines with a vengeance. As the triumphantly told the *American Federation of Teachers* last week, "Today is the first day of the end of the campaign." Mondale himself, who had carefully watched Ferraro's televised meeting with the press from his North Oakes, Mass., home, was clearly delighted with her performance. Blowing apart two days in suspense as the crisis neared its climax, Mondale called to congratulate the Queens representative, then emerged to tell reporters: "She did not try to protect herself. She's done all that could be expected and more than the law required." Adlai Peter Hart, chief publicist for the Mondale organization, said she was awfully good. She had it all.

But even as the deftly intimated many skeptics, two new controversies arose to confound Ferraro. Her press secretary, Paul Russo, a veteran of the Jimmy Carter White House staff, posted only two hours after the press conference ended: either conclusion is the Ferraro campaign. Not only that, but *The New York Times* disclosed last week that Zaccaro, a millionaire real estate investor, had borrowed for his own use \$675,000 from

an estate from October, 1980, to late March of this year. At the time, Zaccaro had been acting as a court-appointed conservator for the estate of a deceased 84-year-old widow. The funds were repaid six months later. But most lawyers regard such conduct—which is legal—to be unethical. A New York state Supreme

court is now reviewing Ferraro's tax returns adequately and, once the matter is very simple, for failing to settle it quickly. Observers contend that these lapses, coupled with Mondale's abortive bid in July to replace Democratic party chairman Charles McCloskey with controversial Alaska Governor Bill Weller, have



Ferraro at New York press conference returning to the campaign with vigor

Court judge reserved making a decision on the embarrassing issue is believed in Queens last week.

The toughest ever Ferraro's finances raised, new concerns about Mondale's political skills. The former vice-presidential had called the selection of his running mate one of the most important decisions a presidential candidate must make. At a minimum, his critics say, Mondale must secure representa-

tioned serious damage to the Democratic campaign. "When something gets bad," said New York advertising consultant David Garth, a part-time adviser to the Mondale camp, "you get the whole thing out as quickly as possible. The Democrats let it kill them for 24 weeks." The Ferraro fiasco, in particular, helped to destroy the momentum that flowed from the party's July nominating convention. Last week Zaccaro

polo shared President Ronald Reagan ensuring a comfortable 40-point lead. Despite Ferraro's unacknowledged role in the controversy and her admission that she had bought most of her troubles upon herself, her problems seem likely to persist. Many observers disagreed with her interpretation of the Ethics in Government Act of 1978, which was passed as a consequence of the Watergate scandal that drove Richard Nixon from the White House a decade ago. According to these observers, the House of Representatives traditionally applies a stricter interpretation of the act than Ferraro suggested. The House ethics committee has already been asked to investigate income that she derived from her husband's firm, P. Zaccaro and Co. Ferraro earned a modest income from the firm and kept her own law offices on its premises, and her claims for exemption from disclosure of her husband's financial affairs may not withstand close scrutiny. But the committee does not plan to open hearings into the matter until after the Nov. 6 presidential elections.

Another controversial issue was Ferraro's \$116,000 loan from her husband in 1979 to finance her first congressional campaign. Zaccaro later claimed that a campaign lawyer had incorrectly advised him and his wife that the Federal Election Commission's \$1,000 limit on loans did not apply to family members. The commission subsequently fined Zaccaro \$750. But the lawyer, New York attorney David Stein, now denies having given the advice attributed to him. And a Washington public interest lawyer, John Hanisch, last week filed a formal complaint with the FEC, asking it to investigate how Ferraro repaid the loan. The vice-presidential candidate—the first woman nominated to run for that office—retired her debt by selling interests in two New York City properties, and in doing so the realized substantial capital gains. Her husband subsequently bought back her share in one of the buildings. Ferraro insisted last week that the transactions were "perfectly legal" but conceded that the complicated arrangement "doesn't look so hot."

None of the remaining questions will be resolved quickly. Democratic party leaders last week clearly monitored the public's reaction to Ferraro's performance. Indeed, there had been speculation that unless she satisfied her critics, Ferraro might have been forced off the Democratic ticket. That prospect has now dimmed and she seems to have emerged relatively unscathed. Still, the crisis may finally leave political scars, and the likelihood left by the Ferraro affair cannot be measured until the months have. And as that calculation, Democratic hopes may well dim.



Philippine unveiling Aquino memorial statue in Manila, a mood of militancy

THE PHILIPPINES

Looking back in anger

The event was intended to honor a dead man. The government predicted violence and many of the participants prepared for it. Still, last week's demonstration in Manila by an estimated 500,000 Filipinos managed to take on a carnival-like atmosphere. The gathering, in Manila's sprawling Rizal Park, marked the first anniversary of the murder of Benigno "Ninoy" Aquino, a staunch political opponent of President Ferdinand Marcos's repressive regime. But many members, determined by the government's own statements and news of the violence that has surrounded recent public gatherings in the country, carried duct tape, clothing or surgical masks for protection against police baton gas. Their presence proved unnecessary. The police remained at a distance and no confrontation took place. Instead, demonstrators sang patriotic songs and chanted one another with cheer, while street vendors sold T-shirts, buttons, coffee beans and balloons carrying Aquino's image.

But behind the festive facade there was a pronounced (if muted) mood among the demonstration's organizers, who remained determined to use the Aquino anniversary as a continuing focal point for anti-government sentiment. Solid youthful student opposition leader Edgardo Alejandro "Narco" Alonzo thought the people will "not get it off their chests. But that isn't going to happen—there are aggressive forces to maintain the movement." The govern-

ment claims that these forces are led by Communist agitators who have been manipulating and exploiting more moderate Marcos opponents throughout the Philippines upheavals. Indeed, most observers in Manila agree that the Communists have made significant inroads in the rural areas since Aquino's death.

Pinning Filipino discontent in the nation's deepening economic crisis was declared opposition National Assemblyman Nephthys Gonzales: "Our growth rate is less than zero in real terms. Even Bangladesh is doing better." In the past year the Marcos government has twice devalued the national currency by 50 per cent. As well, it recently asked the International Monetary Fund for \$50 million in standby credits and is seeking \$5 billion in new loans.

Marco's credibility among Filipinos and foreign backers is low. But the 60-year-old president has ruled out resignation before the end of his term of office in 1987. Last week he told one Filipino journalist that the presidency "is a God-given job. By the same token, you stay there until you have done your job." Meanwhile, his officials' greed for the next wave of oligarchic-spirited program—expected on Sept. 28, the 25th anniversary of Marcos's declaration of martial law. And opponents of last week's rally said that subsequent confrontation between police and demonstrators could lead to serious and sustained violence.

—LAS MONTANA in Manila

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INDIA

The opposition closes the ring

The mass demonstration in New Delhi had all the trappings of a nation picture spectacular. Leaders of India's major opposition political parties gathered last week before a floodlit crowd of 10,000 supporters, chanting (it was Aug. 15 Prime Minister Indira Gandhi dissolved the government of the southern state of Andhra Pradesh. Opposition leaders led the demonstrators with chants of "Down with Gandhi's dictatorship." But the star turn was reserved for the state's deposed chief minister, N.T. Rama Rao, himself a former movie actor in a melodramatic embrace, Rama Rao avoided wearing saffron robes and seemed in a shock. Still recovering from open-heart surgery, the charismatic politician denounced Gandhi for dismissing his popular elected government in order to replace it with a regime controlled by her own ruling Congress (I) Party. Gandhi's opponents claim that she took the action in order to build a local power base in preparation for a general election, due within the next few months.

The demonstration was a powerful display of opposition unity. Since returning to power in the 1980 general election with 358 seats in the 542-seat national parliament, Gandhi's Congress Party has dominated Indian politics. By contrast, the nation's 16-odd political parties and factions have been in disarray. But last week observers said that Gandhi's dismissal of Rama Rao's government had been a grave political miscalculation on her part. Indeed, the incident, fueled oppositionists across the political spectrum. Members of the right-wing Bharatiya Janata Party shared the dais at last week's rally with erstwhile rivals from the pro-Soviet Communist Party of India. Declared Manohar Gandhi, the Prime Minister's estranged daughter-in-law, who broke away to form her own faction: "We made lions out of mice in 1980 when we voted the Congress to power. We can turn the lions into mice again."

The incident began when Andhra Pradesh state Gov. Bansi Lal dismissed Rama Rao, controlling debaters from his Telugu Desam Party had eroded its working majority in the 266-seat state assembly. But last week Rama Rao traveled to New Delhi to meet with Indian President Zail Singh, accompanied by 20 state parliamentarians from his party in order to prove that he still maintained a majority. In parliament Gandhi denied that she was directly involved in the dismissal, but there were loud shouts of "Yes" in the chamber. Few India-based observers doubted that

Rama Rao's dismissal had been planned by strategists in the Congress Party. The analysis claimed that in July the party executed a similar scheme in the northern state of Kashmir. Although there were widespread protests in Kashmir, they seemed minor compared to the outburst sparked by Rama Rao's ouster. At week's end the fervor continued. In the state of Andhra Pradesh itself—in



Rama Rao in New Delhi: melodramatic

his 85th birthday—rings had left 25 people dead and another 90 injured. In response to the unrest police launched a sweeping crackdown, arresting 650 people. At the same time, the nationwide protests focusing on Gandhi prompted some opposition leaders to speculate that the prime minister may declare a state of emergency, which would suspend civil rights indefinitely. Declared one opposition spokesman at the New Delhi rally: "Gandhi is hacking away at democracy." In India's current turmoil few analysts were prepared to refute him.

—ERIC SILVER in New Delhi



Starving refugee children in rural Uganda: the unfolding tragedy of a crackdown

UGANDA

A nation's terrible nightmare

It was the first official comment on the scope of a slowly unfolding tragedy in Uganda in an attempt to allay rapidly growing international concern about intertribal massacres. Ugandan Information Minister David Anyika admitted last week that 15,000 of his countrymen have been killed in political struggles during the past four years. Anyika blamed overzealous and undisciplined troops, who had been charged with tracking down guerrilla forces opposed to the rule of 61-year-old Ugandan President Milton Obote. But, Anyika declared, it had never been the Obote government's policy to kill civilians. "There are soldiers who have done what they should not have. They are being arrested and sentenced."

Anyika's statement confirmed Western reports of civilian massacres, but his estimate of the number of deaths fell far short of figures released in Washington. Earlier this month Elliott Abrams, the U.S. assistant secretary of state for human rights, told a House foreign affairs committee hearing that as many as 800,000 Ugandans may have died as a result of the Ugandan army's counterinsurgency program. Still, officials of Western nations—including Canada—insisted cautiously last week to suggest that they supported assistance to the impoverished African nation of 33.5 million.

Uganda's history has been scarred by violence ever since it gained independence from Britain in 1962. In 1971 an ambitious sergeant, Idi Amin Dada, overthrew Obote. Amin conducted an eight-year reign of terror which resulted in the deaths of an estimated 25,000 people and left the country bankrupt. Following Amin's ouster in 1979, Obote returned to power the next year. After his party won a general election ruled guerrilla from the Baganda tribe began a bitter backwash, claiming that Obote and his Uganda People's Congress were fraudulently elected.

Since the army began its crackdown in 1980, reports of torture and mass executions have emerged. Last 26-year-old taxi driver who managed to flee to neighboring Kenya told reporters last week that he had been kept in a cell with the rotting corpses of fellow prisoners in Kampala's Makindye barracks. He claimed that he had been imprisoned only because he belonged to the Baganda tribe. As well, British journalists have reported that the armed

Obote: Western support



forces have driven hundreds of thousands of Bagandans from their homes in Luwero district, 100 km north of Kampala.

As a result of the reports, Kenyan administration officials last week recalled Ambassador Allan Clayton Davis from Kampala for urgent talks. According to one source close to the administration, Kenya's recent statements have embarrassed the White House, which continues to support Obote's government. Congress is now considering donating \$7 million from the \$5 million it is already earmarked for Uganda—a source that the White House recently declared the source. "We cut off aid now it will serve no purpose other than to push Uganda toward the Soviets, and we don't want that to happen."

In Ottawa officials of the departments of external affairs, were noncommittal on responding aid. In the past five years Canada has sent Uganda roughly \$50 million. Canada has rarely refused aid to nations on the basis of human rights violations (visible exceptions include Guatemala, El Salvador and Uganda during Idi Amin's rule). But one official acknowledged last week that any decision by Washington to cut off aid could have an indirect impact on Canadian policy. Said the official, "Then someone wants to look less concerned about human rights than the Reagan administration."

But British officials have pledged to continue assisting Uganda's private, declining that there is no evidence to substantiate Abrams's claims that the Ugandan forces have slaughtered hundreds of thousands of civilians. In fact, the British argue that better training would improve discipline among the nation's 65,000 poorly equipped and ill-led troops.

Still, Western governments will likely continue supporting Obote. Says one Kampala-based ambassador, "He is far from perfect but he is the only one who can hold the country together."

—WILLIAM LUTHERIE, in Washington, with Ann Palumbo

ISRAEL

Negotiating under pressure

The agreement marked a major step toward resolving Israel's five-week-old political crisis. Last week, while Shimon Peres, leader of Israel's opposition Labor party, and candidate Prime Minister Yitzhak Rabin kept alive hopes of negotiating the formation of a government of national unity, Peres achieved a significant breakthrough. The 61-year-old politician was guaranteed from key politicians Barak Weizman and Yigal Allon that they would support his bid to lead a government even if Rabin refused to take part. Weizman's and Mordechai's action destroyed any chance that Rabin had of forming a government on his own. Still, as we write, and a possibility remained that Peres and Rabin would jointly form a government. They had already agreed on several important issues, including the withdrawal of Israeli forces from southern Lebanon. But other important policies, including the future of Jewish settlements on the occupied West Bank, were still in dispute.

As the politeness maneuvered, Israel's ailing economy suffered further setbacks. The Bank of Israel revealed that the nation's foreign currency reserves had fallen to \$2.8 billion, \$200 million below the so-called Red Line, the minimum acceptable level. This prompted Shimon's caretaker government to make an urgent request for an acceleration in the payments of Washington's annual aid program to Israel. Then, Bank of Israel Gov. Moshe Mandelblat declared that the government must immediately cut \$1.5 billion in spending—1.8 per cent of its budget—to reverse erosion of the currency reserves. Red Mandelblat: "These very massive cuts must include cuts in defense and subsidies of basic goods."

Still, Israel's new leader did find the ability to ease the nation's economic crisis severely limited. The nation now has a \$27.7-billion foreign debt and an inflation rate of nearly 4.8 per cent. But Israel's principal labor federation, Etzrat, has announced that it will stage major strikes and demonstrations if the government strikes to a recent decision to cancel the indexing of wages. At the same time, some observers say that Washington will only grant Israel's aid requests if the country agrees to soften its policy on Jewish settlements on the West Bank. Israel's needs are now so pressing that the next government may have no other choice than to comply.

—JARED MITCHELL

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MEMORY UNLIMITED

A Curious Encounter on Train

I jumped into the first compartment which seemed empty only to discover a sweating companion had taken the only remaining transportation facilities with a view to the latter passenger (journalist) director for his hour at last and it was only my turn to be removed at and I could not see the light's meaning. It was then that the new book on the Cape opposite suddenly by to a previous passenger.

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Wendians with wife in Cape Town pretends something about the vote itself

SOUTH AFRICA

A failed attempt at reform

The profound divisions in South Africa's racial attitudes have rarely been more vividly apparent. Last November white voters approved by a two-thirds majority a new constitution which gives limited political rights to South Africa's 4.5 million "coloured" (people of mixed race) and 170,000 Indians. But last week colored voters rejected that constitution by boycotting elections for a special third house of parliament. And this week Indian voters are expected to reject that action in a parallel vote. Opponents for the colored communities charged that the new constitution's promise of limited political power for coloreds and Indians was tokenism. The constitution provides nothing for the nation's 28 million blacks, who make up 75 per cent of South Africa's population. Alan Besset, a colored preacher and boycott leader, described the elections as "an attempt to make us junior partners in apartheid."

The odds of the boycott—only 30 per cent of all eligible voters cast a ballot—caused concern within the government of Prime Minister P. W. Botha, which had risked alienating its traditional base of support among conservative Afrikaners last year by sponsoring the constitution. At the national's seven-week galvanized movement, police conducted pre-dawn arrests of protest leaders, using provisions of the nation's security laws. Louis le Grange, secretary

for law and order, said that the disruptions were an attempt to thwart revolution. Then black students joined the protest by boycotting classes, and the police laid heavy charges against demonstrators in Cape Town. There, colored voter turnout was the lowest, with fewer than 20 per cent of eligible voters casting ballots. Sixty per cent of South Africa's colored communities lived in segregated communities around Cape Town.

The boycott overshadowed the election's results. The Labor Party, led by 57-year-old Rev. Allan Hendrickson, swept 78 of the 80 seats contested. Hendrickson is widely expected to become the first nonwhite cabinet minister in South African history. Despite last week's boycott, he bared the election as "a good investment for our country." The Nationalist minister has pledged to withdraw from parliament if the white government does not agree to end South Africa's 30-year-old system of apartheid within five years.

Opponents for the Boths government maintained that voter intimidation had eased the extremely low turnout. And Constitutional Affairs Minister Chris Heunis declared that the turnout was a sufficient mandate to proceed with inaugurating the third house of parliament next month. But the credibility of the new parliament seems likely to have eroded long before the first sitting.

—ALLAN STOKES in Cape Town

AFGHANISTAN

Warning shots on the border

It was a time when the 43-month-old war in Afghanistan threatened to spill over into neighboring Pakistan. Last week Soviet occupation forces launched the sixth in a two-week series of cross-border air raids on refugee centers inside Pakistani territory. The attacks left 51 people dead and another 20 injured, according to the Pakistani government. Indeed, Islamabad claimed that since the beginning of the year Soviet and Afghan forces have killed 104 people, mostly Afghan refugees, huddled just inside Pakistan's territory. Observers said that the air raids, centered on the fleeing refugee center of Ter Margal, threatened one of the few secure bases left for Afghan rebels. The rebels have been using the camps inside Pakistan increasingly since a massive Soviet offensive last spring pushed them from their stronghold in the strategic Panjshir Valley north of Kabul.

The attacks cast a pall over the fourth round of United Nations-sponsored talks which opened in Geneva late last week between Afghanistan and Pakistan. The negotiations, which are aimed at finding a political solution to the fighting in Afghanistan, first began in 1982 but so far they have yielded no concrete results. Pakistan President Muhammad Zia ul-Haq said cross-border attacks would not soften his government's policy toward Afghanistan. Pakistan, which does not recognize the government in Kabul, maintains that any settlement is contingent on the withdrawal of Soviet troops, estimated to number 350,000, from Afghanistan.

But as the talks resumed, diplomats on both sides said there was little prospect of an early solution. Said a member of the Pakistani negotiating team, "Even before all the border raids, happened we were not terribly optimistic of making much progress. Now our expectations are almost nil." For his part, the Soviet-backed Afghan regime accused Pakistan of harboring Muslim guerrillas, the so-called mujahideen, in the Ter Margal center. But a Pakistani government spokesman, Yousaf Bhatti, replied "We do not acknowledge any mujahideen." Since Soviet troops first poured into Afghanistan in 1979, roughly 3 million Afghans have fled to Pakistan. And as the bitter war of attrition continued and the unstable situation on the rugged frontier persisted, one Western diplomat declared that there will likely be more assaults on the refugees.

—ANN WALMSLEY



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Crisis shakes a financial giant

By Leary Glynn

Charles Knapp, the flamboyant 49-year-old chief executive of Los Angeles-based Financial Corp. of America (FCA), has always been a maverick in the U.S. savings and loan industry. Closely regulated and generally limited to mortgage lending for homes and business construction, most of the nation's \$400 billion savings and loan (S&L) companies—or "thrifts"—have been known for cautious lending practices and tame-like growth. But with a brand name that ranked his industry colleagues, Knapp has flouted that tradition in the nine years since he took control of Budget Industries, a small California S&L. Using a hyperaggressive growth policy he built the firm, renamed Financial Corp. of America in 1978, into the largest S&L in the United States, with assets of \$30.6 billion. But now, both Knapp and FCA are struggling to survive a financial crisis that resembles this summer's near-collapse of the United States' eighth-largest bank, the Chicago-based Continental Illinois National Bank and Trust Co.

The entire U.S. financial industry swayed with trepidation last week as nervous depositors continued to withdraw funds from FCA's largest subsidiary, the 100-branch American Savings & Loan Association (ASLA). Depositors began growing nervous one week earlier when FCA announced that, to comply with federal Securities and Exchange Commission (SEC) financial regulations, it had retained its earnings to shore up a \$307 million (U.S.) in the second quarter—instead of a previously claimed profit of \$81.3 million. That report, and FCA's revelation that it had suffered a \$500-million net outflow of deposits during July, shocked an industry in the twilight of the savings and loan industry's heyday. In the wake of the Continental rescue—see in which the Federal Deposit Insurance Corp. (FDIC) fully guaranteed all depositors' funds, and 28 U.S. banks combined with federal regulators to provide an emergency fund of \$1.5 billion. Last week analysts speculated that a similar guarantee—as well as a management change—might be necessary at FCA. Even the firm's announcement that Knapp, as chairman, would relinquish control over FCA's day-to-day operations to concentrate on long-range planning failed to halt pessimistic speculation over Knapp's—and FCA's—future.

The company's crisis is largely a result of changing policies Knapp used to push the firm to the top of the S&L industry. Indeed, his greatest coup was scored in the wake of Federal Reserve Board chairman Paul Volcker's 1979 decision to let U.S. interest rates seek their own levels. That action put a squeeze on other U.S. S&Ls. As interest

certificates of deposit (CDs)—fixed income securities worth \$100,000 (U.S.) and were—issued by financial institutions, pension funds and other major investors. As CD funds poured in, FCA continued making fixed-rate mortgages. It changed only its initiation as much as three per cent—then quickly sold the mortgages to others. Any small losses



Knapp: a maverick whose business strategies rattled his competitors

rates rose, their portfolios of fixed-rate loans dropped sharply in value. At the same time, outflows of depositors withdrew their deposits to seek higher rates of return from money-market funds. As a result, most thrifts found themselves in trouble. Nearly 1,000 American S&Ls were forced to go out of business or merge with stronger competitors during what industry analysts described as a "financial darkening" in 1982. But while his rivals withered, Knapp was setting the stage for FCA's greatest move: seasonal moves. As other thrifts cut back their lending, FCA aggressively expanded its own loan portfolio—at an astounding 38-per-cent annual rate—from 1977 to 1981. Knapp required up to 90 per cent of the funds to make those loans by bidding for so-called "junkie"

loans by raising interest rates were more than made up by the flow of initial fees and by "service charges" that FCA collected for maintaining the mortgages after they had been sold.

That strategy paid off brilliantly for FCA when U.S. interest rates began to fall in mid-1982. By then the firm had acquired a multi-billion-dollar portfolio of mortgage loans, yielding an average of more than 10 per cent. As U.S. interest rates fell, FCA was able to sell these high-rate mortgages at huge profits. In effect, Knapp's firm had managed to avoid a crisis that devastated many of his competitors and he made little effort to control his commitment for his rivals, characterizing the other S&Ls as "downside simply

waiting for the weather to change."

Not did he pause long to consolidate. Instead, in August of last year FCA acquired First Charter Financial Corp. of Los Angeles, the parent firm of ASLA, a primary lender but selling firm with assets of \$9.7 billion. At a stroke, Knapp's firm had become the United States' premier S&L with assets of \$35.7 billion at the end of 1982. It was an astonishing leap for a firm whose loan portfolio was just \$250 million when Knapp took control in 1975. And on paper, \$1 billion, FCA's profit growth was similarly impressive. From 1976, Knapp's first full year in power, through December, 1981, FCA's earnings jumped to \$172.5 million from \$12.2 million, and its stock price soared to

the Government National Mortgage Association. By June FCA's assets had increased by \$15 billion to more than \$32 billion, a growth rate that helped draw intense regulatory attention. But instead of failing, U.S. interest rates have risen roughly two per cent, to their current level of 13 per cent, since March. That increase squeezed FCA's earnings, a result that led to industry rumors of its free-wheeling accounting practices. At the same time, many of FCA's mortgage loans went bad, giving it one of the worst delinquency rates in the country. On June 28 this year, delinquent loans totaled more than \$700 million. Worse still, the demise of Continental unnerved the buyers of "junkie" Cds, from

Standard and Poors, the bond rating agency, put the corporation on an credit-watch list for possible downgrading. Despite assurances that the firm was driven on assets from both the Federal Savings and Loan Insurance Corp. and the Federal Reserve Board itself, FCA has already tapped government sources for more than \$1.5 billion in short-term loans to shore up its liquidity. ASLA's massive deposits—and it has the assets to meet any demand for funds, FCA last week sold a seven-million share holding of American Express stock worth \$22.3 million. FCA has also been liquidating holdings of government bonds—it had sold off about \$1.5 billion worth of securities by last week—and speeding up the sale of mortgages that it holds to shore up its liquidity.

Still, industry analysts say that these actions alone would not be enough to replenish the company's supply of cash to meet federal regulators' demands. FCA has been ordered to increase its capital to four per cent of its assets by Dec. 31 of this year from a current 2.77-per-cent level.

One likely victim of the crisis was Knapp himself. Since federal regulators are seeking his resignation as FCA chief executive before extending further loans to the troubled firm, that would remove some of Knapp's competitors. But others were less gratified by the prospect of his downfall. Some S&L executives were concerned that FCA's problems could undermine their own access to deposits.

A rebuff of FCA management last week revealed those executives' own joy at presidential, but that may not be enough to satisfy the corporation's creditors. As such as \$15 billion in large-scale loans held by FCA will mature before the end of September. If worried depositors do not renew those deposits, the firm's cash source could prove unmanageable.

A break, after months of speculation to trying various plans, is a relief. It's a lucky that saved him the embarrassment of Bob Bates—Knapp clearly never anticipated the problems he now faces. Just a few months ago he claimed that "the next five years are going to be more exciting than the last five." The company was not the kind that he expected.



A Los Angeles branch of American Savings & Loan: industry there over its stability

a peak of \$45.12 in mid-1983 from less than \$16 in 1982.

Knapp himself became convinced that FCA's future was unclouded and that his power, capacity to handle risk—and win—distinguished the firm from other S&L companies. "We are unique," he declared last winter. "Competing as in a bank in the comparing an airplane with a Model T." FCA, in Knapp's view, would grow to take on the giants of Wall Street in the fast-growing mortgage market.

Those dreams have collapsed in a welter of problems which have beset Knapp and FCA this year. Once again, gambling that U.S. interest rates would fall, FCA continued making a vast of fixed-rate mortgages and buying fixed-rate Ginnie Mae bonds, a type of security issued by

when FCA drew 47 per cent of its deposits.

Worried that FCA was slipping into trouble, regulators and depositors withdrew roughly \$1.4 billion in Cds in July. That drain appeared to outpace through August. But the blow that pushed FCA into a complete crisis came two weeks ago, when the SEC demanded that the giant S&L rework its earnings reports to account for unrecorded losses on its \$4 billion in Ginnie Mae securities. That accounting change transformed the reported second-quarter profit into the largest loss ever recorded by a U.S. S&L. Already sliding, the company's stock price crashed as below \$5 before rebounding slightly to \$1.50 last week.

Doubts about whether FCA can survive have grown steadily. Last week

Canadian dreams for London's ruins

The investment appeal of London's Royal Dock area is deceptively obscure. Since 1961, when the area, just east of the British capital's financial district, stopped handling cargo, the 1000-acre site's vast warehouses have been left to decay, watched over by looting streetwise youths. But that year a controversial plan by the British government to overhaul the area in a \$1.1-billion redevelopment scheme has set off a scramble by firms in Europe and Canada for rights to participate in the redeveloping—which includes plans for a new airport and a railway system.

Two Canadian firms that entered the bidding have had mixed results. On Aug. 15, however, Ontario-based de Havilland Aircraft of Canada Ltd. received an encouraging indication that it might win the competition to supply Dash-7 aircraft to fly as a new Royal Docks and London Airport at the docks. The British government, moreover, indicated that de Havilland's aircraft more than met the standards for low noise levels in the area. Thus, just weeks, in a separate development, announced at the Ontario-government-owned Urban Transportation Development Corp. (UTDC) meeting, a few days after they learned that after spending \$1 million and two years of study to win a \$102.6-million contract to build a rail line for the docks, they had lost out to British competitors.

The announcement this month by British Environment Secretary Patrick Jenkin that he was "disposed to go ahead" with the proposed airport, opened many roads to London's east, who opened the idea of having a busy airport located near them. But it was a welcome development for financially beleaguered de Havilland. If the plan gets final approval by the Civil Aviation Authority (CAA), the company has a good chance of getting the contract. For one thing, the firm's poor selling, Dash-7 is the only airplane currently available that meets the landing and noise-free requirements of the proposed airport. For another, one of the major operators at the airport would likely be Plymouth-based Bryman Air-

ways, a firm in which de Havilland bought a 75-per-cent share last year. De Havilland estimates that a successful dockland UTDC airport development could result in more than 12 Dash-7 sales. But even these sales, worth about \$100 million, will not pull the aircraft maker out of its dire financial dilemma. In spite of cash injections from the federal government totaling \$500 million since 1962 and large staff cutbacks, the company lost \$2.9 million in the first four months of this year and is expected to lose more than \$300 million over the next four years. After 56 years of producing successful but not very glamorous aircraft it ventured into the UTDC

largest site of new housing, many millions are likely to expense the project heavily.

For its part, UTDC had hoped to sell an advanced but unproven system, which drove small subsea-type cars with a new type of electric motor (construction of such items is now under way in Toronto, Vancouver and Detroit). But a joint venture between Mowlem, a British construction company, and London-based General Electric Co. (which is not connected to U.S.-based General Electric) won out instead. Philip Stevenson, UTDC's vice-president of corporate affairs, claimed that his firm's proposal was comparable with the Mowlem-GEC bid in



Docklands London beckons a scramble for \$1.1-billion development contract

plane market in 1979. Few analysts dispute de Havilland's claims that the Dash-7 and the recently introduced 36-passenger Dash-8 are more advanced and efficient than similar aircraft produced by British and French makers. But the Canadian firm has often not been able to match the financing and pricing terms of the overseas makers. As well, de Havilland's conviction that the world's cities will soon be dotted with short takeoff and landing airports remains largely a dream.

Despite the British government's apparent blessing for the project, it is still far from certain that old warehouses will be replaced with new ones. Before any terms are laid, all objections to the project will have their say before Britain's Civil Aviation Authority. With the docklands already breeding London's

terms of price and financing. Declared Stevenson, "It appears to be a buy-British-type." Still, Stevenson was unable to offer any specific evidence to back his claim of profitability.

Meanwhile, de Havilland is gambling that its negotiations will be more successful. But even if the UTDC project does go ahead, de Havilland may not continue to have a monopoly on the type of aircraft that can use it. Recently, the British magazine *New Scientist*, in a highly critical article on the UTDC, noted that the Dash-7's 58 seats make it uneconomic for many business executives. And that, it said, may lead Bryman and other airlines to pressure aviation authorities for permission to use smaller, larger aircraft and even helicopters.

—JAY KUPPER, with Carol Kennedy in London.



Kuwait's Kuwaiti oil tanker damaged by a missile in the Persian Gulf. Western firms added to prevent an oil price fall

OPEC's emerging Western supporters

By James Fleming and Jack McGowan

When the Organization of Petroleum Exporting Countries (OPEC) announced a dramatic drop in its official oil price to \$25 (U.S.) per barrel from \$34 on March 14, 1983, Western governments, industrial and consumer nations welcomed the development. With its came the prospect of lower import prices and inflation after a decade in which costs had rocketed up the hydrocarbon's price by 300 per cent (of the staggering inflation) since then the old pattern of animosity between the Arab-led oil cartel and the industrialized world has undergone a remarkable transformation. In an unexpected turn of events, a new alliance of interests formed between industrial Western nations, energy firms and banks. Despite strong downward pressure on oil prices this summer, the result of a worldwide oil glut, major Western companies have been able to prevent a free-fall plunge in the price.

The major reason for the new alliance in the world oil market are diverse. Energy companies, still recovering from the recession, fear the effect as their balance sheets of collapsing oil prices in turn, Western governments—Washington in particular—are concerned that political instability might develop in Saudi Arabia if its oil revenues dropped enough to cause economic hardship for

the population. As well, they are dismayed by the prospect of losing royalty and tax revenues from domestic oil companies. But the most pressing concern of Western governments is that the already fragile global banking system could be thrown into chaos if indebted Third World oil producers such as Mexico and Venezuela, which are dependent on income from oil exports to pay off their combined \$45-\$48 billion debt to North American banks, were bankrupted by falling oil prices. Said David Wynn, an economist with Data Resources Inc. of Lexington, Mass.: "If one or more of these countries went under, it could lead to a 1980-style banking crisis."

The fears of a price precipitous reached a peak in late July. Traders on the Rotterdam spot market, where oil is sold at prices determined by demand rather than by restricted prices, predicted a price-cutting war as a surplus of supply knocked prices below officially pegged levels. The price of North Sea crude, called "Brent" and produced by the British National Oil Corp. (BNOC), hovered at around \$27 per barrel in Rotterdam, a drop of \$3 from the official price level of \$30 set in March 1983. And on July 27, when the Soviet Union, which exports 3.3 million barrels of oil to the West a day, dropped its official price for Urals crude by \$1.50 a barrel to \$25.50, many experts predicted that other producing nations would be forced to follow.

In fact, that has not yet happened.

—largely because the British government was instrumental in preventing the anticipated price war. In an unprecedented act of solidarity with OPEC—and at the request of Saudi oil minister Sheikh Youssef—London successfully prevented official North Sea prices from slipping. Youssef made the appeal at an official meeting in London on Aug. 1 with British Energy Minister Peter Walker. The next day U.K. energy officials wrote a letter to all major buyers of oil from Britain, arguing that not to demand price cuts from them, which markets at 10 per cent of British oil production. The government's motivation, it says, was not \$15 billion in revenues annually from North Sea oil production and a \$1 drop in prices means an annual loss to the government's budget of \$200 million (U.S.). By mid-August 1983 secured an agreement from its customers to maintain the \$26-a-barrel price.

In another move designed to prop up its weakening price, industry analysts say that four U.S. oil companies—Mobil, Exxon, Texaco and Chevron—opt back on imports from Saudi Arabia during the summer in order to lighten supplies in the West. That action helped to relieve downward pressure on the price of U.S.-produced crude. The major U.S. oil companies wanted to prevent a price drop, which could slash their profits and risk in future development programs. Concerns about dropping prices also ex-

ist among debt-laden Canadian energy firms and their commercial creditors. According to J. Philip Price, a Royal Bank energy economist based in Calgary, if the oil price falls below \$20/U.S. a barrel, it would cause major problems. Added Price: "A lot of loans would be in trouble at that point."

At the same time, Washington positively welcomed the moves to prop up the hydrocarbon's price. The administration particularly fears the potentially disruptive effects of dropping oil revenues on the Saudis. According to Christine Helms, a scholar on Middle Eastern affairs with the Brookings Institution in Washington, the United States and other Western nations are acting out of a need to pressure the ruling family of Saudi Arabia, just as they tried to do for the late Shah of Iran.



U.S. helicopters arriving at Port-Said to assist in mine-sweeping of the Gulf of Oman, unexpected new alliance.

"But," she added, "there is a lot of pressure in Saudi Arabia because of the lack of participation by the majority of people in the government of the country." Declined Helms: "The spread of certain Islamic ideals and the evolution from Iran offers that participation. Obviously, a drop in the price of oil, and the effect that would have on the Saudi economy, would be one many destabilizing factor that the West would like to avoid." Of more immediate concern, Washington realizes that lower oil prices would cut the tax revenues it raises from sales of crude oil by domestic energy firms. Last year the so-called windfall profit taxes amounted to more than \$10 billion.

But for major Western banks a drastic fall in oil prices would be a frightening prospect because of the damage that it would wreak on the economies of indebted oil producers, even members

own \$20 billion to Western banks And Mexico, which is not a member of OPEC, owes \$26.6 billion to U.S. banks and more than \$4 billion to Canadian institutions, including \$1.4 billion to the Bank of Montreal and \$2 billion to the Royal Bank. If either nation defaulted on its loans, financial experts say that bank failures would result, which, in turn, would damage Western economies in severe and unpredictable ways. Declared Ryo of the Resources Inc.: "A lot of our banks have their capital tied up in oil-producing countries like Mexico, Venezuela, Indonesia and Nigeria. An oil price cut might mean that these countries could not service their debts. And that could set off a massive default and a major banking crisis."

For Canada the future world price of oil is of growing importance. Canadian

producers will stay flat for the next year unless there are increased hostilities in the Middle East, where Iran and Iraq have made oil facilities and ships in the Persian Gulf targets in their continuing war. But Saudi Arabia provided the most favorable demand, as predicted that the world market will continue to strengthen and that the oversupply crisis will be over by the end of September. Said Yamani: "We expect that the last quarter of this year will witness an increase in oil consumption and demand, which will raise OPEC's share of the crude oil market to 18 million barrels a day." As a result, he said, OPEC should be able to maintain its price for Saudi light crude at \$29 a barrel. Yamani added that the improved outlook was a result of falling oil production in Saudi Arabia and Iran. According to Yamani,

OPEC production in July totaled about 17.5 million barrels a day, and that figure should drop below the 17.5-million level this month.

But Nicolas Meehan, an oil industry economist with a New York-based brokerage firm, Rosenkrantz Ehrenkrantz Taven Bess, took a radically different view. He said that the new alliance between Western interests and OPEC have indeed been able to maintain oil prices so far, but he contended that they will not be able to continue that support. Meehan predicted that the price will fall to about \$22 (U.S.) this year, and in the next recession, he believes, he forecasts for two next year, to between \$15 and \$18 a barrel. Said Meehan: "There is no question that new alliances have formed. But they cannot control market forces."

Rick Withers Loomer in Washington, Gil-Isaac Shurman in Calgary and Don Mather in London.

Japan as a PC role model

By Peter C. Newman

A British Malmsey marchant electronics, it is drawing on an increasing number of Canadians that is a man not only able to charm his way into power but a superb organizer as the verge of defeating the most intransigent political machine in the free world.

Malmsey's personal liability from the start has been an apparent reluctance to be cornered during the campaign. But he is the true nature of the man and his brand of politics is revealed, it seems that this hesitancy is based not, as most observers believe, on any wish-washiness of character but on his shiffling inner conviction that promises should not be made unless they can be kept.

This week's release of a policy balance sheet by the Conservatives, whose chief policy adviser is Charles McMillan, demonstrates this range of political thought, as well as underlining McMillan's supreme importance within the Tory hierarchy. The list of policy costs and declarations coincides with the publication of McMillan's personal memoirs, an impressively detailed, internationally recognized study titled *The Japanese Industrial System*, published by Walter de Gruyter.

The book is a result of more than 15 years study of the Japanese economy by McMillan, who speaks the language, is married to a Japanese and spent most of the two years before joining Malmsey researching the nature of Japan's trading companies, its government and their interrelationship. A native of Prince Edward Island who completed his doctorate at the management department of the University of Bradford in England, McMillan is still on leave as a professor of business policy and international business at York University's faculty of administrative studies.

He is appointed to the top of Malmsey's governing circle, and that's why it is so convenient to analyze his thoughts about Japan as a model for the Canadian economy. "The most common question foreigners ask about Japan is what can we learn from that country," he says. "In a very fundamental way that is the wrong question. It is not a matter of learning the Japanese way of doing things. It is a matter of applying it to Western practice. Rather, the real questions are why the Japanese see the world as they do, what they intend to do about it, and how their institutional arrangements fit their strategies."

What McMillan outlines in his fascinating, if overly detailed, volume is the evolution of Japan not so much as an economy but as a culture in which the private and public sectors are able to expand into the manner that exists between them. He challenges the widely accepted metaphor of Japan's various sectors having a familial relationship, with state bureaucrats exercising authority not in the name of the people but in the name of the emperor. House of Japan. He asserts the fact that we do not have an organization equivalent to the Kodak, which has 30 committees

economic and therefore not amenable to Western emulation. It's all a matter of motivation: the Japanese develop merit as a basis for promotion and wages as a source of incentive. Western nations, he says, have a system of employment which derives their ethic from the military, the corporate model in Japan is the village, whose dominant values are consensus and harmony.

What it all comes down to is that Japan is the one industrialized nation that has not been so much a product of education, thus engaging the mentality that evolved from the Harvard case method. McMillan seems to abhor the narrowness of the average MBA graduate and quotes with relish William P. Folsom of the University of Pennsylvania, who once proposed that the solution to the Japanese threat is to export a number of our MBA programs to Japan.

The Japanese Industrial System should be read as one of the seminal influences on the forthcoming restructuring of the administration. The fact that it was the Japanese economic miracle that was the formative influence in McMillan's economic thinking could mean a new, long overdue reorientation in the mentality of Canada's senior civil servants. Although John Maynard Keynes has been dead for nearly four decades, they remain steeped in his tradition and that of his disciples, particularly Bob Bryce, the former chief of the Privy Council, who carried his economic message across the Atlantic.

What McMillan envisages as a turning away from our traditional mind-set of looking toward Europe for our economic ideas. "In terms of the fullest comprehension of Japanese industrial success," he writes, "the Pacific Rim concept represents perhaps the most radical reorientation away from the Atlantic ocean joining America and Europe—and the rise of the Pacific Rim, with Japan at the centre... The central idea is a new group of nations—Japan, the United States, Australia, South Korea and Canada—forming the central core of nations much like the continental countries of Europe forming the old nucleus of the Atlantic basin."

The Pacific Rim as the foundation of our economic future is hardly a new idea, but for the first time it is now in the realization of such a trading arrangement is on the brink of moving into high government office. A Malmsey victory on Sept. 4 will not just signal a new way of governing but a new way of thinking, which is precisely what Ottawa—and the country—need.



McMillan, in the inner circle.

Involving the country's most senior executives in the national decision-making process, and it's a good guess that one of his responsibilities within any Malmsey government will be to encourage the formation of a similar group.

McMillan, who is recognized as one of the world's leading neo-Oriental experts on Japanese productivity, reveals no new secrets in his study of how that country's industrial sector has muted the adversarial aspect of labor-management relations. But he is skeptical of the superficial rationalizations that view the Japanese system as being culturally

The fight to control election news

By Terry Hargreaves

Despite the heat and banter, the media encourage accompanying House Member Stuart Hogg, outside the air-conditioned campaign bus in Sussex, Ont. The 65 reporters, photographers and cameramen, angry because the Conservative leader had not given even an informal news conference for the past five days, refused to leave for the next campaign stop without assurances of access to the candidate. Two days earlier, on July 31 on a ferry in British Columbia, Prime Minister John Turner found himself to examine the hulls of 18 minutes while journalists one deck below demanded an opportunity to question him on his appointment the same day of Senator Keith Davey to campaign the Liberal campaign. In the first case, Terry adds, defined the confrontation with a pledge that Hogg would answer journalists' questions during another stop a few hours later. In British Columbia Turner eventually answered reporters' queries, but the Prime Minister has continued to avoid informal question-and-answer "banquets" and the adversarial relationship between the media and politicians, often uneasy at the best of times, has frequently deteriorated into confrontation during the current campaign.

Reporters are rarely satisfied with the amount of time they can spend with political leaders during an election campaign. And their attempts to investigate party strategies without restraint often lead academics to question whether the current reporting system helps or hinders democracy. Many Liberals maintain that Turner's favouring campaign go-to trouble partly because the Prime Minister was too open with the media at the beginning. He held several news conferences a day at first on a variety of regional and national issues that were recently—and particularly since Davey's arrival—being asked only infrequently with reporters. For their part, the Tories still grant journalists access to Hogg, but those meetings are also infrequent and rigidly controlled. Conservative strategists acknowledge they were last seen at the campaign when "Hogg's officials would be thought-of-the-record remarks to reporters on his plane, sympathizing with Turner's campaign dilemma, made from page news the very next day.

New Democratic Party Leader Ed Broadbent has been relatively un-

scathed in his dealings with the media. But his staff members acknowledge that in their daily plans they position him for the media that they think works to their best advantage. They say that some reporters consider that to be a manipulation of the journalistic process. Veterans reporter and columnist George Buzs, a journalism professor at King's College in Halifax and Moore's media columnist, said that his concern about events designed for TV was that the stories "then become the total means of the political message's statement," rather than a reporter's impression. Campaign control, said Bain, "is in the hands of the party, and the reporters become media pawns."

strategy for dealing with the media, he quickly adds the disclaimer.

To some extent, the media become less important to a candidate who is doing well. Observed Keith Kins, a Washington Post correspondent covering Hogg: "As he gets more and more confident of victory, we get less access to him." Added Gilles Piquet of Montreal's *Le Presser*: "You do not rock the boat when things are going well. You do not take the risk of making comments off the cuff and putting your foot in your mouth." And Dalton Camp, a writer and longtime Conservative party leader, declared, "Campaign managers are determined to avoid spontaneity."

Officially, the parties deny that they



Meddling in a storm: an uneasy relationship that often turns into confrontation

The political parties place a high priority on media coverage when they plan their campaign in order to gain as much favorable reporting as possible and limit the damage from unfavorable stories. Southern News correspondent John Ferguson, for one, has been travelling with the Turner campaign periodically since the beginning. "At first he was very open and he was quite willing to talk to us," Ferguson said. "But then, as the mistakes started to happen, and just about the time Davey took over, the change came on." The change is Hogg's approach to journalists has been less obvious, but at times equally revealing. If someone produces questions that do not fit into the Conservative

are pursuing restrictive strategies. But clearly the needs of the media and the politicians are often at odds. Explained Hogg's press secretary, Bill Fox: "We have a message to get across, and the roles are not always compatible." For his part, Turner's press assistant, Brian Smith, said that there was "no Machiavellian strategy" behind the new constraints on the Prime Minister. Added Smith: "We are creating the accurate, positive qualities of our candidate." But in a 90-day campaign, during which the media and party leaders try to get along in often unseemingly close quarters, there are inevitably disagreements over whether any message—at least as accurate as one—is getting across. □



An astronaut practices satellite salvage: the shuttle's chance to reduce risk

SPACE

NASA's salvage challenge

It was a costly setback for both the National Aeronautics and Space Administration (NASA) and more than 100 insurance companies on both sides of the Atlantic last February, when booster rockets misfired during a launch from the U.S. space shuttle Challenger, two ultra-precise communications satellites have been circling the Earth uselessly, thousands of miles off their intended orbits. The failure clearly embarrassed NASA, which is trying to recoup some of the investment in its \$60.1 million (U.S.) shuttle program by launching commercial satellites. As well, the insurance companies involved have had to pay substantial amounts to the satellite owners—\$165 million to Western Union and \$75 million to the Indonesian government. But last week the companies were working out a final agreement on salvage rights to enable them to hire NASA to retrieve one or both of the misplaced satellites during a November mission.

While the insurance companies worked out the final details of the rescue agreement, NASA was already training the November flight crew for the mission, which would make use of the shuttle's Canadian-built remote manipulator arm. In April a Challenger crew successfully captured a disabled scientific satellite, Solar Max, repaired it and reattached it into orbit. But that risk was greatly multiplied because Solar Max was already equipped with hardware that allowed the 30-foot Canadians to grip it firmly and move it into the shuttle cargo bay. Palapa-B2 and Westar, however, were designed to operate in high orbit, 30,000 miles above the Earth, well beyond the reach of the shuttle, which cruise only as high as 150 miles. But the launch rocket misfires left the two satellites in orbits so low that NASA controllers on the ground can move them within the shuttle's reach simply by firing their small thruster rockets.

Still, the units are not equipped for a

salvage. But the underwriters contend that although the satellites are in the wrong orbits, they were largely undamaged by the February mishap. If that is the case, they could recover some of their costs by selling such satellites for as much as \$40 million. Potential customers would include communications companies that cannot afford the price of a newly built satellite, as well as their original owners.

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and Canada. To solve that problem the insurance companies had NASA and the shuttle's launchers, Hughes Aircraft Co., manufacture special hardware. Now, according to NASA's plans, crew member Joseph Allen will leave the shuttle with a jet-powered hoist, climbing to the damaged manufacturing unit, and approach the slowly spinning Palapa-B2. Then, he will fasten the new capturing device, a three-foot-long pole, around a bolt sticking out of the satellite. Using the thrusters on his backpack, he will stop the satellite himself to stop it from spinning before fellow astronaut Anna Fisher boards the crew

quarters, sends Commander out to capture the stationary device. A newly designed table, bolted to the shuttle's frame, will hold the satellite securely for the trip back to Earth. And if all goes well, the procedure could be repeated two days later with the second satellite.

For the insurers, the deal with Hughes involves paying the aerospace company \$25 million for the hardware for the Palapa rescue and twice that much if both satellites are recovered. But NASA gave the insurers an attractive deal for both parts of the salvage operation. The space agency is anxious to see the mission take place successfully to show that such operations are possible and to restore faith in the shuttle program. As a result, it is charging the insurers \$4.8 million to get the Palapa back but just \$0.5 if it collects both satellites.

NASA's crisis of confidence in being no more than the Palapa satellite launch failure. For one thing it is facing increasingly efficient competition from the European Space Agency's Ariane 5 rocket, which has now accomplished five consecutive successful satellite launches. As well, there is the complete failure of the last shuttle mission, the scheduled maiden flight of Discovery in July was aborted in the last seconds of countdown when a small fire broke out in one of the engines. But the most serious of the Challenger mission that repaired the shuttle's Agena target, Cruppin, and has crew's success. "Satellite service is something that is here to stay. We pick up, repair and deliver." Both NASA and dozens of aerospace insurance companies will soon get a first indication of whether its confident prediction was well-founded.

—PETER MARSH in London.

Mixed reviews for deregulation

When Transport Minister Lloyd Axworthy declared in May that the extensive and highly restrictive Canadian Transport regulations that govern air traffic would be relaxed in two stages beginning on June 8, Canadian airlines began to prepare for fundamental changes in the way they do business. Now, with the second phase of deregulation about to take ef-

fect, discounts of more than 30 per cent will require airline bookings only one week in advance if the passengers stay at their destination for one week-end. Said Ray Bidart, vice-president of Gander, N.S.-based Eastern Provincial Airways: "There should be a lot of fall-page newspaper ads in the next six months."

Some Canadian airline passengers

U.S. destinations. Bidart said that it would fly between Montreal and Fort Lauderdale, Fla., starting in October for between \$125 and \$135, compared to Air Canada's economy fare to Miami of \$208. The airline would be non-competitive with the \$209 (U.S.) fare charged by Newark, N.J.-based People's Express Airlines, which flew thousands of Quebecers to Florida last year from Burlington, Vt. City Express said that it also plans to offer a one-way fare of \$79 to Atlantic City.

Deregulation has also been advantageous for smaller commuter airlines. Canada's major carriers have already begun to reduce service on unprofitable routes. Vancouver-based Air, which runs monthly up-and-down three flights a day between Vancouver and Victoria, now flies the route using jets only once a week. Victoria-based Airco, which has a contractual relationship with Air, now offers its turbo-prop flights a day on the same busy route, compared to seven last October. And Leth-

bridge, Alta.-based Time Air is competing directly with Calgary-based Pacific Western Airlines on the Kelowna-Vancouver route. Time Air charges 30 per cent less than government-owned Pacific Western on the route, but current CTA regulations effectively restrict the airline to only one flight a day, compared to Pacific Western's seven a day during the same week. According to Time Air, commuter airlines oppose the restriction to disappear by early September under the more liberal regulations.

Time Air president Richard Barston: "Deregulation will allow airline carriers such as ourselves greater access and more competition. There should be a lot more routes."

Still, some groups are skeptical about the advantages of deregulation. Last summer, Bagnall, researcher with the Consumers Association of

Canada, said that it would fly between Montreal and Fort Lauderdale, Fla., starting in October for between \$125 and \$135, compared to Air Canada's economy fare to Miami of \$208. The airline would be non-competitive with the \$209 (U.S.) fare charged by Newark, N.J.-based People's Express Airlines, which flew thousands of Quebecers to Florida last year from Burlington, Vt. City Express said that it also plans to offer a one-way fare of \$79 to Atlantic City.

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Berlin with Time Air plane: airlines are already implementing price-cutting changes

fact, last week, airlines have already implemented price-cutting and scheduling innovations that have been well received by many Canadian air travelers, but have drawn mixed reviews from other consumers.

A keyhole's policy shift was in part a response to the 1978 deregulation of the U.S. airline industry, which studies that indicated that 11 per cent of Canadians in the past two years travelled to the United States to board discount flights. In the past six years 60 new airlines have entered the U.S. market, creating stiff competition and reduced fares on popular, price-sensitive routes. Last June the Canadian Transport Commission (CTC) gave Canadian airlines the right to reduce fares with only 28 hours notice. Previously, the companies had to give the commission a 45-day advance notification of any price changes.

In September the CTC intends to lift rules that require airlines to fly specific, often unprofitable routes in Southern Canada at fixed prices. Airlines will also be free to discount fares up to 30 per cent without requiring passengers to book in

Jeannot cockbuck



Canada: "As long as you have one carrier, Air Canada, dominating the market, I do not think you will see much price competition." Industry observers agreed in the short term Canadian consumers should not expect dramatic savings on major carriers. Air Canada and CP Air already offer a variety of periodic discount fares of as much as 60 per cent on some domestic long-haul routes such as Toronto-Vancouver. And executives of both airlines say that their profit margins on long flights are already so low that they cannot discount prices any further. Said Air Canada president Pierre Jeannot: "I do not see overall prices coming down. I see the trade-offs today making discount prices more abundantly available." Added Peter Glavin, aviation industry analyst with the Toronto brokerage firm Wood Gundy Ltd.: "It will not be possible for the average consumer to benefit from lower fares on long-haul vacation routes until the major carriers can get their costs down."

Airline employees are concerned that competition will cut wages, leading to increased costs. Indeed, the effort has already begun. In April, CP Air reduced the salaries of senior executives by 15 per cent, middle management by 7.5 per cent and support staff by five per cent. Two weeks ago Air Canada fired wage leaders in the same categories until April, 1980, and ordered a 24-hour increase in the work week for an indefinite period beginning next January. Unemployed employees of both airlines have already made wage and working-time concessions in order to save jobs, and now they contend that management will use deregulation as a tool to seriously weaken union power. The Canadian Labour Congress declared in a resolution that it would oppose any deregulation. May that deregulation is not in the best interest of labor. Added Roland Cook, president of the Canadian Air Line Pilots' Association: "The large carriers are going to say 'Instead of working 16 hours a day, we want 16 instead of eight hours a day, we want 12.' Safety will be jeopardized."

Deregulation is a mixed blessing for consumers in smaller Canadian cities as well. Airline executives publicly acknowledge that airlines and Canadian cities will suffer a decline in scheduled services to larger cities without less-travelled routes. And Air Canada chairman Claude Tardif told transportation groups in the Atlantic region in May that they will have to lobby loudly to retain current scheduled services. They are already prepared to do just that. Declared John Jala, N.H. Mayor Elise Wagon: "If we see any changes we do not like, we will take John de Boyer's advice and threaten. I'll tell him that."

—DAVID JACOBSON in Montreal



Redesign: a sobering federal report about the ugly secret of child abuse

LAW

Suffer the little children

Sexual abuse and exploitation of children has become a topic of national concern because the number of reported cases has increased alarmingly in the past 10 years. And a federally commissioned report released last week has added new urgency to the search for solutions to the devastating problem. The study revealed that child abuse had damaged the lives of tens of thousands of Canadian young people, and the authors called for more and tougher laws to protect the nation's children.

The statistics in the 1,300-page study paint a grim picture of one of the most troubling social issues of the era. The committee reported that half of all females and a third of all males are the victims of unwanted sexual acts at some time in their lives—and 90 per cent of the incidents occur when the victims are children or youth. The report was the product of a three-year study by the 15-member Committee on Sexual Offences Against Children and Youth. The committee of sociologists, police, social work workers, headed by Toronto-based author and sociologist Robin Badgley, focused on child sexual abuse, juvenile prostitution and child pornography.

The committee called for sweeping changes to the Criminal Code and harsher punishments for convicted prostitutes and sex offenders. Among the hard-hitting recommendations: "affirm terms of at least 10 years for parents in a position of trust—including teachers, health care employees—who are found to be sexually abusing a child."

person under 18 years of age. At a spouse who creates, participates in or sells pornography involving people under 18 should face as many as 10 years in jail.

Prostitution under the age of 18 should be charged under new Criminal Code provisions. It also should be an offence to buy the services of juvenile prostitutes.

Reaction to the report was generally favorable. Said Justice Minister Donald Johnston: "The federal government will initiate urgent consultation with the relevant governments and groups in the country." Both Conservatives and new parties, however, accused the government of stalling on the issue of child abuse and they urged quick action on the committee's recommendations. Ron Ward, executive director of the Ottawa-based Canadian Council on Children and Youth, for one, was a strong supporter of the report. Declared Ward: "It is uncompromising in its commitment to protect Canadian children. It does not let any of us off the hook." But Ward admitted that notions of the report which called for increased use of the courts were controversial and had stirred active debate among a 25-person group of child care professionals in Ottawa before they openly endorsed the far-reaching recommendations.

Still, committee members contended that they have sounded an authoritative warning about the practice of child abuse. Said Badgley: "The government, private or business, could ignore the findings. But to do so is to be negligent."

—HELENE MCKENZIE in Ottawa



Moscow press conference following the destruction of Korean Airlines flight KAL 007: a recent and surreal phenomenon

PRESS

Moscow adopts the news conference

By Anna Finlayson

On a midwinter afternoon in late August, telephone rang in the Moscow offices of 36 world news agencies. Kremlin officials invited the journalists to come to the former press centre of the 1980 Moscow Olympic Games. A few hours later, in the "meeting room" of the low-slung concrete building, the reporters gathered in front of a microphone. They were participating in a recent and novel phenomenon: the Soviet version of a Western-style news conference.

For the roughly 120 foreign correspondents in the Soviet capital, accustomed to gathering their news from enigmatic official statements and often antagonistic articles in *Pravda*, the official Communist party newspaper, the conference was welcome, and reporters have attended at this summer. Most often Vladimir Lovenko, a soft-spoken, bespectacled diplomat in his early 50s, presides over them in field questions.

Lovenko was not a familiar figure to Moscow's press corps when he appeared as the first of the new-style briefings at the cancellation of French President François Mitterrand's visit to Moscow in June. But since then he has conducted four more conferences, usually tied to the visits of other foreign dignitaries. In them he has offered an incisive Soviet

point of view on everything from the Soviet Union's relations with Britain to the space weapons controversy.

With the exception of visiting Soviet Foreign Minister Andrei Gromyko, who faced reporters' questions in Moscow in April, 1980, who he denounced U.S. arms limitation proposals, Soviet government officials have rarely made themselves available to the news since Nikita Khrushchev fell from power in 1964. But in July Deputy Foreign Minister Viktor Komolovskiy also held foreign press inquiries on the space weapons issue, and he managed to attract many journalists away from a U.S. Embassy briefing scheduled at the same time. Soviet officials have not offered a direct explanation for their sudden change in approach, although one justification for the worldwide news service Reuters: "At long last we can say, 'What exactly does that mean?' We don't always get a straight answer, but then we don't always get that in Washington or Ottawa either."

Most journalists find the briefings to be an improvement over the frustration of press release and *Pravda* reporting. Said David Miller, Moscow correspondent for the worldwide news service Reuters: "At long last we can say, 'What exactly does that mean?' We don't always get a straight answer, but then we don't always get that in Washington or Ottawa either."

liner, which caused the deaths of all 269 people aboard last September. Per several days after the incident the Soviet press seemed paralyzed with U.S. air-raid command headlines around the world. Finally, to the surprise of Western reporters, Soviet officials announced that Armed Forces Chief of Staff Nikolai Ogarkov would face the media. The news conference, broadcast live to foreign TV networks, was packed with journalists and camera crews who recorded Ogarkov's admission that flight KAL 007 had been shot down, and his contention that the plane had been on a spy mission.

Still, analysts do not expect that Soviet President Konstantin Chernenko will attempt to mount briefings like rival President Ronald Reagan's televised press conferences. But some Western observers have interpreted the new policy as a victory for a Kremlin faction surrounding ideology chief Mikhail Gorbachev, a protégé of the late president Yuri Andropov and widely believed to be Chernenko's heir apparent. Many Polish-born visitors consider that Gorbachev, 61, represents a moderating force in the Soviet power structure. If that analysis is accurate, the briefings could be an important early indication that the walls of reform have begun to blow over the solid walls of the Kremlin.

With Keith Charles in Moscow

HEALTH

Doctors approve heroin

The use of the powerful drug to relieve heroin to ease pain in terminally ill patients has been a hotly disputed topic since Ottawa banned the importation, manufacture and sale of the drug in 1954. In March, 1983, Health and Welfare Canada responded to growing public pressure to legalize the medical use of heroin and set up special trials on heroin use that are scheduled to begin this month. But last week the 216-member General Council of the Canadian Medical Association (CMA), meeting in Edmonton, decided that it could wait no longer and it recommended that the federal government immediately resume licensing the use of heroin for medical purposes.

The resolution was a major advance for medical heroin proponents and their leader, Niagara Falls, Ont., Dr. Kenneth Walker, who writes a syndicated medical advice column under the name W. Clifford Jones. Heroin supporters argue that the highly addictive drug is the most potent painkiller used, unlike other drugs, induces a euphoria that counteracts the depression that often afflicts a terminally ill patient.

The main spokesman for the pro-heroin resolution in Edmonton was Dr. William Ghent of Kingston, Ont., chairman of the CMA's health care council. He argued that doctors should be allowed to use the drug to control pain in terminal cancer cases, for burn victims and for end-of-life pain in pregnant women. He estimated that of the more than 38,000 cancer deaths that Statistics Canada reported for 1980, most of which involved extreme pain, five per cent of the patients would have benefited from the use of heroin. Ghent maintained that the Canadian government originally banned heroin as the mistaken belief that it would reduce the illicit use of the drug.

In Edmonton, the 25 doctors who voted against the resolution to legalize medically used heroin (CMA showed it and 20 abstained) said they feared that addicts would break into doctors' offices to obtain the drug. Other opponents argued that existing drugs such as liquid morphine are adequate for the treatment of extreme pain.

The effect of the CMA recommendation on federal government policy is politically uncertain. Health Minister Monique Gagnon, who commissioned the department's heroin study, which researchers expect to complete by late 1985, is not known for pro-heroin. And Bigna's special assistant, Anne-Marie

Auloy, said that the department will have no comment on the CMA resolution until it releases the results of its heroin study. Conservative health critic Jake Kopp has said that he supports the restricted use of heroin for medical purposes. Meanwhile, proponents have launched

a similar campaign to legalize the medical use of heroin in the United States, which outlawed the drug in 1914. Legislation would allow the compassionate pain relief act, which would allow U.S. companies to manufacture heroin for medical use, is currently before Congress. But the Reagan administration opposes the bill and observers predict that it has little chance of passage. In Canada the CMA's Ghent is more optimistic. "I think we will have a new government, and heroin will be legalized fairly quickly. I would be willing to bet on it."

—KIMBER BLACK



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LeBrock: Grifley, Thicke (below): The mouth of the

In Gene Wilder's latest movie, *The Woman in Red*, Kelly LeBrock personifies everyone's dream woman as the alluring, irresistible blonde. But the 30-year-old superstar model said last week that when she moved to New York from her home in London six years ago "with Bill and my teddy bear," model agents considered her "average looking." Although her exotic features had already made her a top model in Europe, US beauty experts told her that her mouth was too big, and she could not find work for four months. Then influential agent **Eileen Ford** added LeBrock to her impressive stable and managed to land her on a single page in *Vogue*. Next, **Christine Bar** featured her as "the mouth" in a series of fashion advertisements and other models began lip-flicking their mouths to match hers. Harting set the trend, LeBrock has retired from modeling to northeast acting, taking her favorite sportswear with her. "If you are good, you can survive anything."

Yoga instructor **Paul Grifley**, **Ronnie Reagan's** new son-in-law, spent part of his honeymoon looking after his students in a Toronto workout studio last week. The woman in a red instead is

the front row was Grifley's actress wife, **Paula Davis**, an amateur vegetarian who is the youngest daughter of the president and the former **Mercy Davis**. Grifley said he chose Toronto for the honeymoon because his old friend **Tom Bennett**, who owns the studio, had invited him—and because Toronto "reminds me of my hometown, Columbia Falls, Montana." Grifley, who counts **Martin Sheen**, **Paquet Welch** and **Guiney Jones** among his practice clients, is slated that he and his wife will shortly return to anonymity. "Nobody knows who we are," he said. "There was a fire over the wedding but, as the wedding fades away, so will the name."

Although he did not make the team, Emmy award-winning producer/writer and former talk show host **Alan Thicke** did get to share the peak with **Maureen Grifley** during a summer holiday in Canada.

Thicke, the recipient was a form of therapy for Thicke after the collapse of both his syndicated show, *Thicke of the Night*, and his 13-year marriage to singer/songwriter **Gloria Loring**. Thicke, after a quick

look at the wounds he suffered trying to catch up to **Johnny Carson's** ratings, plunged back into show business. He has just sold a series concept to Universal Studios which he hopes will launch his acting career in feature films and, to keep himself in the public eye, he flew to the World's Fair in New Orleans this month to accept honorary citizenship of Louisiana. He has also contributed his services, in a pair of short stories, to **Christie Jackson's** 1987 *Star Calendar: A Women Look at Men's* for his part, Grifley is busy enough practicing for the Canada Cup hockey tournaments.

A good much goes by aspiring actors on edge, but newcomer **Lash Pinnat** is doubly endowed—her parents are **Champion King** and **Gordon Pinnat**. She happens to be one of three children with famous parents in **Dan Patrick's** new movie, *The Day Boy* (**Donald Sutherland's** son **Kiefer** and **Charlie Chaplin's** daughter **Josephine** are the others) and she has pursued brief but parallel careers in film and theatre for one year. **Sue Pinnat**: "Mom and Dad have been very helpful." A week after she turns 20 on Sept. 25, Pinnat, with *Day Boy* to her credit, will move to New York to study at **Circle-in-the-Square** theatre, where **James Roberts** was discovered in 1956 in **Eugene O'Neill's** *The Iceman Cometh*. After a year at the University of Toronto and a summer as an apprentice at the **Williamstown Theatre Festival**, Pinnat is looking forward to her bite of the Big Apple. But her former coaches are not. "They are both happy for me but frightened," she said.

—EDITED BY BETTE LADENBERG



LASH PINNAT

5³⁰AM-10⁰⁰AM... Wally-to-Wally & then some.

And the two are our phone pals of the lightbulb jokes. We'll have news, weather reports, money matters and more...

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Keep an eye on that tape stock. It's really moving.

My city has become like a crowded little office all over.

and about the Laborious Exit.

First, thanks. Know what Holly said this morning? I wonder who wrote his message.

Pick up two details while you're downtown. Wally saw her show and he says it's terrific.

According to David Deller, that's the bottom line. And Lyman Machens says it's deductible.

I want to buy one hundred shares of...

How do I know it's a great show? I've got friends in show business.

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So he said, "I can't call back, I'm in my last quarter." "Oh yes?" says she, "then how can you afford to buy stock?"

Sorry, but that's how. Can you call back?

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Takenaka in Mexico, a new golfsetter promises the Japanese public a bloody war

CRIME

Japan's brazen mobsters

When Masahiko Takenaka and his party booked the office 36-room Naruto Hotel for the day last June, other fearful hoteliers in the sleepy port of Naruto on Japan's southern Shikoku Island posted "No Visitors" signs—even though they had available rooms. As leader of the Koko-based Yamaguchi-Gumi, the most powerful of Japan's 58 crime syndicates, Takenaka is as well-known to the Japanese public as any Japanese business leader, although he is not a popular hotel guest. At Naruto, 500 of his criminal followers solemnly and publicly declared Takenaka their new leader. And in the city of Koko, Takenaka's chief rival for the leadership, Hiroshi Yamamoto, retired with a bruise on his forehead, the name that the Japanese give to their gangsters. He called a press conference to announce the succession of his faction from the Yamaguchi-Gumi and he took with him almost half of the syndicate's 13,000 members. In response, Takenaka threatened a new policy of "guns instead of butter, war instead of peace."

Operating with a brazen disregard for the law, Japan's Yakuza gangsters claim that they are inter-day Robin Hoods who come to the aid of the oppressed. Their unwritten code of conduct requires absolute loyalty to the leader. According to one Yakuza precept, "If the godfather says white is black, green is red." Despite their aura of chivalry, they ride richly on a vast range of vice and corruption. Police estimate that their stronghold on illegal gambling, extortion, drug peddling and

prostitution turns their profits of \$4.2 billion a year. The Yakuza have also diversified into more respectable businesses, including real estate and manpower agencies.

Sgt. Shigeru Kawashima of the National Police Agency in Tokyo is a leader in the battle to break Yakuza power. Said Kawashima, "However they see themselves, they are public enemy No. 1, and our purpose is to eradicate them." The police have no difficulty identifying Yakuza, many of them pop off the top of one of their fingers as a gesture of loyalty to their leader. They make no secret of their activities and rely on brute force and intimidation. But despite the apparently easy target, Kawashima said that his function is hampered by strict bank privacy laws and the limited cooperation he receives from the national tax agency when he attempts to bring charges of tax evasion against the gangsters.

Following June's split in the powerful Yamaguchi-Gumi, Kawashima and his colleagues are bracing for a revival of the murderous gang wars that followed the 1985 death of Yamaguchi-Gumi godfather Kazuo Taketa. Taketa's successor died soon after his election, and Yakuza barons took to the streets with hand-guns, which are banned in Japan, in the ensuing leadership vacuum. Nineteen gangsters died and 77 were seriously injured before the clashes ended last December. Said Kawashima, "We fear a similar outbreak of violence. Only this time, it could be even more bloody."

—PETER MUGGER in Tokyo

ENVIRONMENT

The menace of acid dust

After 20 years of work, Canadian environmental scientists have amassed a substantial body of research that links emissions of sulphur dioxide from industry—especially coal-fired hydroelectric plants—with acid rain pollution. But the U.S. government argues that more research into the causes of acid rain is needed and has continuously refused requests from environmental groups and the Canadian government to legislate lower emission levels from U.S. industries. Now, some U.S. and Canadian ecologists have begun to warn about a sinister source of acidic pollutants—"acid dust," a dry, airborne form of pollution that consists mostly of ammonium sulphate, a chemical that ferries water molecules, mainly from agricultural fertilizer used in the American Midwest, across with the sulphur dioxide of industrial pollution. The new concern about acid dust threatens to cloud an already controversial issue over forests.

Scientists say that the fortress-enclosed pollution presents a serious threat to northern ecosystems because it absorbs conventional methods of detection and also because it is an equally efficient destroyer of lakes and soil. Like acid rain, much of the ammonium sulphate that falls as acid dust comes from the U.S. Midwest, according to David Schindler, head of the Environmental Monitoring Program, a federally sponsored acid rain research project in Kansas. And, he said, the information is a 1981 report in the U.S. National Academy of Sciences showed that most of the pollution originates in the farm belt of the U.S. Midwest, and suggested that it is caused by heavy fertilization of farmland. Canadian farms are less heavily fertilized and do not significantly contribute to the problem. Ammonia, either applied directly to farmers' fields or as an ingredient in fertilizer, evaporates in its ammonia gas. That, in turn, blows north and east as the same winds that carry U.S. sulphur dust. In the atmosphere, the two form ammonium sulphate, which acts as an umbrella with airborne particles. The particles then fall to earth over Eastern Canada.

One of the major reasons that acid dust has received little publicity is that it is difficult to detect—its acidity potential cannot be measured by electronic instruments. Scientists can easily measure the acidity of normal acid rain, which consists of sulphur dioxide dissolved in rainwater. But the acidity danger of acid dust is diagnosed by its unique chemistry. Said Schindler, "The critical point to understand with ammonium sulphate is that it is not very acid when you measure the precipitates. But once it enters the ecosystem it becomes acid." With Cowling, associate dean for research at North Carolina State University in Raleigh, he has studied that process. He said that aquatic plants absorb the ammonium sulphate and convert it to acid, which returns to the surrounding water.

So far, a precise understanding of the effects and dangers of acid dust has remained elusive. Schindler's research plans to investigate the role of ammonium sulphate this month after the federal treasury board cut his budget from \$450,000 to last year's \$775,000. He was reluctant to drop ongoing and new experiments for the sake of new acid dust research, so he cancelled the new experiments. But he admitted that until ammonium sulphate experiments are carried out, the full extent of acid pollution will remain unknown. —DAVE SCHUBERT



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Accidental expertise

It was the closest that any North American nuclear facility has come to a disastrous, full-scale meltdown. For five days in March and April, 1970, the world watched as a team of technicians fought to control a fuel-overheating accident at the Three Mile Island reactor generating plant near Harrisburg, Pa. They succeeded, and now that they have gone on to adapt remote control techniques for waste cleanup that have made the facility's owner, General Public Utilities Corp. (GPN), a world leader in recovery from nuclear accidents. Now, as the \$1-billion cleanup enters the crucial stage of de-fueling the reactor, GPN is in fact profiting a little from its experience as it exchanges its newfound knowledge with utilities in other countries for money, goods or services. Indeed, interest in the techniques that GPN has developed is so high that the company's communications manager, Douglas Bodell, calls the operation "Three Mile Island University."

Similarly, experts are learning lessons from the task under way at Ontario Hydro's nuclear plant in Pickering,



Nuclear cleanup robot, marketable as well

Ont., where officials shut down one reactor a year ago after leaks developed in pressure tubes carrying heavy water coolant. A nuclear reactor with the same design was shut down last November. But Hydro spokesman David Mosley stressed that the Ontario and Pennsylvania cases have little in common—the crew at Three Mile Island recovering up after a massive containment, while at Pickering the cracked pressure tubing did not cause any leak of radioactive material. Instead, Ontario Hydro's technicians have had to devise novel ways of performing intricate tasks in extremely limited space inside the reactors to replace the tubes. But, like GPN, the Ontario utility expects that some marketable techniques will emerge from the Pickering job. Said Mosley: "Nobody has ever taken a big power reactor to pieces and put it together again, which is what we are doing."

At Three Mile Island, GPN was breaking new ground from the start of its unprecedented cleanup operation. Its technicians took 1.5 million gallons of radioactive water and 100 tons of over-heated uranium fuel. Among GPN's achievements are the use of a 1½-inch-wide video camera to look inside the reactor and the adaptation of robots to perform delicate tasks. At first, GPN freely shared its information, but, faced with a cleanup task that is expected to last until 1986, it is now defraying its costs by selling visiting scientists. And in at least one case those charges have been substantial. GPN media representative Lisa Babensee said that 11 members of the Japanese Federation of Electric Power Co. agreed to pay GPN \$100 million over the next five years to permit their scientists to conduct research at Three Mile Island.

Utilities in France, Sweden and Italy stopped sending observers to the Three Mile Island cleanup when GPN started charging for its services, Bodell said, but some companies in Sweden as well as West Germany are still interested. Meanwhile, he added, GPN has never charged Canadian observers because they have been able to provide helpful information on decontamination techniques.

But while Ontario Hydro and GPN count the costs of their repairs, other energy experts regard the situations as a spur to the creation of an efficient cleanup industry. Indeed, the Pickering breakdown gives the Canadian nuclear industry a chance to establish a reputation for expertise in repairing and dismantling reactors, said Norman Rubin, a researcher for Energy Probe, a Toronto-based group that advocates efficient energy usage. Said Rubin: "We could be world leaders in this and start charging for the technology."

—ROBERT BUCK

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A simple sterilization

Around the world roughly 100 million women in the past 25 years have elected to be sterilized as a means of permanent birth control. Most, including about one million Canadian women, have undergone a sterilization technique called tubal ligation, a surgical procedure that severs (or cauterizes) the fallopian tubes and is more suited to the sophisticated operating rooms of the industrial world than the often rudimentary medical facilities of the Third World. Now, under the sponsorship of the United Nations World Health Organization, doctors have tested a new, non-surgical female sterilization technique which its supporters claim is simple, safe and may prove to be a boon to family planning in the developing countries.

The technique, which even trained paramedics can perform in an outpatient clinic, involves the insertion of a syringe into a patient's uterine cavity. The device deposits a polymer that inflates a small balloon, which allows the injection of a substance called methyl cyanoacrylate (MCA) into the patient's fallopian tubes. The procedure

takes roughly five minutes. The MCA initiates a relatively painless chemical reaction that burns the tube linings. Within 26 weeks the MCA dissolves, leaving behind two permanent plugs of sperm-blocking scar tissue in the tubes. Developed in 1976 by Bioscience Inc., a

A new sterilization technique could become a valuable weapon in the world's struggle to control population

U.S. medical device company in Raleigh, N.C., the technique has so far been tested on 1,600 women around the world. Last year Ottawa's health priorities branch approved the procedure for product evaluation studies. Since last November doctors in London, Ont., Quebec City, Montreal and Toronto have tested the procedure on 130 Canadian women.

Researchers are cautious in their early evaluations of the technique. Most praise the procedure's simplicity. Said Dr. Peter Gillett, associate professor of obstetrics and gynecology at Montreal's McGill University: "It is close to being innocuous because it can be done in an office and not in an operating room where a lot of medical personnel are required." Added Dr. Jack Shuber, co-director of the reproductive biology unit at Toronto's Mount Sinai Hospital, who has used the technique with 10 patients: "It seems to be a very safe and well-tolerated method."

The procedure can be painful, however, in a small percentage of patients, and there is some concern about its effectiveness. Dr. Jacques Boiss, professor of obstetrics and gynecology at Quebec City's Laval University, who has performed the procedure on 110 women, said that X-rays reveal a 50-per-cent failure rate with the first application of the technique. Still, most researchers agree that while the procedure will be useful for Western women who are unable for medical reasons to undergo surgery, its primary benefit will be in the Third World because of the technique's relative simplicity. In a time of increasing concern about population growth, the simplicity of an uncomplicated method of sterilization takes on a new urgency. —KATHLEEN BOWEN

The mouth that roars

André Arthur, Quebec City's king of morning radio, is crowned with controversy. To administer the provocative open-line host is to Rob Arthur, detractors dismiss him as "André Ordure" (garbage). Quebec Premier René Lévesque has called him "a social terrorist" and urged a public boycott of his program. Last May 8, Arthur gained brief national fame as the radio announcer who received a tape cassette from Cpl. Denis Lortie shortly before Lortie went berserk inside the national assembly, killing three people. But more typical of Arthur's fans are the 300,000 listeners, on average, who tune in to CRRP every 15 minutes each morning, giving him the largest share—60 per cent—of any major Canadian city's radio audience. This month the king increased his power by buying one-quarter of the radio- and entertainment stations, and he will relocate his show to CHRC this fall. It will be a homecoming: he started out there in 1970 as a summer student and stayed on for 12 years.

Arthur, 40, claims that only five per cent of his program's content is politi-



Arthur says he's a "social terrorist"

cal, but his critics of the government attract the most attention from the Quebec press. Explaining why Quebecers like Lévesque so much, he has said: "He's a physical incarnation of their own inferiority complex. He's short and he's a Jew-basher." As well, he has nicknamed Jean Gauthier, Quebec's complacent agriculture minister, "Le gros dinosaure"—the big food chain. Arthur says, "I consider my job to be a public service." But the Quebec Press Council has ordered him for being apocryphal on two separate occasions: most recently in November, 1983, it supported a letter he had signed because Arthur had said the people of India treated cows better than humans.

Neither the order (three weeks) the ago of a U.S. open-line host, Alan Berg, nor his own brush with the violent Lortie have convinced Arthur to curb his tongue. He follows firmly in the tradition of outspoken radio personalities, from Montreal's Joe Pyle to Vancouver's rebellious Jack, Jack (The Octopus) Bennett. One of Arthur's occasional listeners, Laval law student Claude Girard, told *Montreal's* "Arthur likes to blow everyday problems out of proportion. That can be dangerous." But is Rob Arthur too apparently devoted that it could be even more dangerous—in his ratings—if he stepped.

—MARY HATHAM

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FOR THE RECORD

Tame in the country

A decade ago Willie Nelson and Waylon Jennings, two bearded songwriters from Texas, drew the wrath of the country music establishment for refusing to follow Nashville formulas. Because they were their kind an acceptably long and made their music adroitly hip, the industry shunned them, dubbing the pair "the outlaws." But that reputation backfired when Nelson and Jennings, using their own names as the title of their joint 1976 album, produced the first country music record to sell more than one million copies. Now the outlaws have established themselves as recording stars with large and loyal followings. And last month each released a new solo album. But the records demonstrate that while both Jennings, 45, and Nelson, 50, can still kick up dust, neither is doing what he does best.

Nelson's true talent lies in songwriting, but including *Peter Dinklage's Country*. But many of his recent albums, as well as his latest, *City of New Orleans* (1980), find him opting for the role of interpreter of other people's pop and country ballads. Nelson's ready tenor enables his version of the title track, a popular tune ballad by Chicago folk artist Steve Goodman, to take its place beside Arlo Guthrie's classic rendition. But on other tunes, such as the aching 1970s soft rock *Please Come to This*, he logs down in syrupy vocals and arrangements.

The craft he honed and honing guitar of Waylon Jennings best suits cowboy ball and angrish tunes. But his new disc, *Never Could Be The Man* (RCA), shows that, like Nelson, the former Reddy Filly really can be singing the wrong material. His new recordings of 1970s rock songs "When he tries Selma McUp, a punchy, kerria" song by the rock group Dire Straits, his voice sounds gratingly weak. And when he attempts a duet solo on *825 Jeff's The Revolution*, that "brash musical" sound seems like a bad joke.

Jennings hits his stride just once, on the sunny ballad of *If She'll Ever Leave Her Man*, in which his gravelly voice finally shines. For Nelson's part, the sole original composition on his new album is easily its finest selection, *Why Don't You Pickin' On Me*. Their releases days are clearly over. Only occasionally do the former outlaws still create a little spirited musical mischief.

—NICHOLAS JENNINGS

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How the Canadian West was won

THE PROMISED LAND SETTLING
THE WEST 1896-2014

By Pierre Berton
Blackfish & Stewart, \$68 pages,
\$24.95

Since Pierre Berton published *Klondike* 36 years ago, he has championed the notion that Canadian history is as exciting as that of any other country. And more than any other writer he has proven the truth of his own claims by entertaining Canadians with expansive tales of their past. The *Promised Land* is his 30th book, the fourth and final instalment in his saga of the opening of the Northwest between Confederation and the Great War. The first book, *Klondike*, centred on the Yukon gold rush. Then Berton published *The National Dream* (1979) and *The Last Spike* (1971), which evoke the epic adventure of building Canada's first transcontinental railroad, the C.N.R. The *Promised Land* presents the pursuit of the settler, dreamer and politician who travelled on that railway and, in the space of a single generation, turned a vast expanse of prairie into Manitoba, Saskatchewan and Alberta.

The great strength of Berton's historical writing is its enthusiasm in making. The *Promised Land* succeeds once again in combining narrative drive with a scholarly but never pedantic thoughtfulness. Berton opens the book with a typically engaging vignette—about Dr Josef Gieskow, a Swiss Lutheran professor of agriculture who travelled by train across the Prairies in 1895. In a brief dramatization based on Gieskow's own writing, Berton describes the new settler viewing his surroundings with the eyes of a man from one of the poorest societies in Europe. Gieskow is amazed by all the rich open land lying uncultivated and he is rightly impressed with Canadian inventiveness, especially the axes with curved handles that fit the shape of the land. Why, he wonders, have his own countrymen "in the course of several centuries failed to improve their own implements?" Those telling words from an outsider typify the world's admiration for the Dominion's achievements, and the fact that for so many disadvantaged people Western Canada symbolized upward opportunity.

Although born and raised in the Yukon, Berton himself has become something of an outsider to the West, and he has spent most of his working life in Ontario. Still, it is obvious that he writes with great affection for the Prairies

and their people. His portrait of the fiery Winnipeg feminist, Nellie McClung, borders on adulation. And he has a special place in his heart for Calgary's Bob Edwards, the intransigent but alcohol-tolerant editor who filled his newspaper, *The Eye Opener*, with some of the wildest, scapigerous ever produced in Canada. "The



Berton, alongside his co-edited *Prairies*

good don't die young," he wrote, "they simply outgrow it."

But Berton does not shirk from criticizing certain historical mistresses whose reputations, he says, are in need of revision. He spends eight pages building a case against Clifford Sifton, the federal Liberal minister at the exterior who was responsible for the great influx of settlers into the West at the turn of the century. Sifton reigned in 1895, plauditing policy differences with his leader, Prime Minister Wilfrid Laurier. Unlike many historians, Berton suggests that

Sifton feared his Conservative enemies were about to expose some of his shadier dealings. Although Berton proves nothing conclusively, he makes a persuasive argument that Sifton accelerated a fervent through Sifton deals with land speculators and immigration agents.

While Sifton, Edwards and other flamboyant individualists gave the West a special vigor, *Promised Land* makes it clear that the real heroes of the era were the anonymous settlers who found the lonely and brutal life worth making a home on the prairie. For many, the trouble started before they had turned a single shovelful of earth. Tens of thousands of Poles and Ukrainians endured grim sea voyages only to discover that many Canadians did not want them. In 1904 the Belleville *Examiner* declared, "One look at the disgusting creatures... has caused many to marvel that beings bearing the human form could have sunk to such a bestial level." But the last laugh belonged to those "men in sheepskin coats, accustomed to hardship, they survived the long winters and years of toil to become some of the West's best farmers. By contrast, many of the more 'desirable' settlers suffered from their extraordinary naivety. Among the 2,800 German Britons who arrived in Canada with the charismatic preacher and charlatan, Isaac Elzer, there were at least half a dozen who brought plague, and one man arrived with a ton of luggage. The wonder is that so many of these innocents muddled through—especially so many—numbers sufficient to found the northern Saskatchewan town of Lloydminster.

Berton's most significant achievement in *The Promised Land* is his demonstration of how current western attitudes have their roots in the experiences of those pioneers. Their common trials in wrestling a living from the soil gave them deep social conservatism, their resentment of eastern industrialists and tariff laws fueled their politics, and their success in establishing a thriving society created a surprising self-confidence. By giving those processes a human face, *The Promised Land* offers western readers a better understanding of themselves. But Berton's book also offers Canadians in the rest of the country a chance to appreciate the unique character and achievements of their fellow citizens on the Prairies. Like the railway that plays a large part in its story, *The Promised Land* is in its own way a force for national unity.

—JOHN REYNOLDS

WHAT DO ALL THESE PEOPLE HAVE IN COMMON?

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RADIO





The selling of a president

CEMINATUS GEORGE WASHINGTON AND THE ENLIGHTENMENT
By Garry White
(Doubleday, 175 pages, \$20)

Before the advent of television, painters and sculptors done political images. Two centuries ago artists had to consider whether to portray the first American president, George Washington, as a Moon landing American or as a Caesar, the way French revolutionary artists, including Jacques-Louis David and Jean-Auguste Ingres, would soon paint Napoleon. But they found neither image appropriate to Washington. Garry White explains in *Cheminatus*, a didactic but enthralling course on American art history and political philosophy. And so the revolutionary leader commonly appeared as Christlike, the citizen of ancient Rome who saved his country and then went back to his plow.

For White, Washington's greatest act was his resignation as general of the American army in 1783. During and after his life the imagers stressed Washington's retreat, painting and sculpting the general-president with his sword just inside *Unsubstantiated* (Hendon), as an ordinary citizen (Edward Savage) or as the act of resignation (John Smith Bernal).

Those images of Washington were close to his own, himself. White contends. But his argument would be more convincing if he extended army—originally lectured delivered at the University of Michigan—did not range so widely. It is not a biography, because White assumes many reader familiarity with George Washington and has times that even many well-educated Americans possess. And the book's philosophical point—that a restrained, limited sense of political power is at the core of American experiment with liberty—assess he fully understood enough is the content of White's earlier books, which include *The Kennedy Impression* and *Confessions of a Conservative*.

Canada's closest approximation to Christlike may be a great of contradictions who many and would never resign and who went back to his Montreal swimming pool only eight weeks ago. The brilliant political culture of Enlightenment America guaranteed that citizen George Washington would have such worthy successors as John Adams and Thomas Jefferson. It is not clear that Canada after Pierre Trudeau will be so forced.
—MICHAEL BLISS

"Peter," I said,
"How come your hair looks so healthy?"
"Tegrin Medicated Dandruff Shampoo,"
he replied to my amazement.



1. Mr. Tegrin Medicated Dandruff Shampoo. Isn't that just for problem dandruff?

Peter: If you want healthy looking hair—you have to start by getting hair and scalp really clean.



2. Peter: When I shower I use Tegrin regularly to do a thorough cleaning job.

Mr. And your clean, healthy-looking hair is proof that Tegrin helps control dandruff.



3. Peter: Right. And Tegrin also helps control that itchy scalp that used to annoy me.

Mr. Again, it shows Tegrin gets your scalp really clean.



4. Mr. I'm going to give Tegrin Medicated Dandruff Shampoo a try myself.

Peter: You should try the bottled one. Works just as hard as regular Tegrin to get your hair and scalp really clean.

THE ARTS

Playing politics with arts and culture

By Patricia Hlaczky

The political promises flowed like champagne on an opening night, but skepticism prevailed among members of Canada's arts community when they met with representatives of the three national parties last week. During panel discussions in Vancouver and Toronto the campaigning candidates assured artists and cultural administrators that, despite the huge federal deficit, culture and the arts would receive top priority—a message that politicians will probably repeat in a dis-

"best bang for the buck."

Still, politicians are increasingly aware that arts-related enterprises—including broadcasting, film and advertising—constitute an important and growing industry. Combined revenues were \$9 billion in 1981. Employing approximately 300,000 people, the industry is now the largest among manufacturers in Canada. The creative lifeblood of the industry—self-employed, non-commercial artists—earn, on average, a meagre \$10,000 a year.

In order to address that situation, the three main parties are promising an



Arts panel in Toronto getting a bigger bang for the government's buck

lar panel discussion in Winnipeg this week. But few differences between the parties' policies emerged. During the Toronto debate playwright Erika Rinka captured the mood when she asked the candidates, "Any party in power will be looking for places to make cuts—how are you going to save our sector?"

The major concern is that the answers of both opposition parties have been more persuasive than those of the Liberals. For their part, the Conservatives promise to reduce government contributions to the Canada Council to inflation. Even so, when former Tory culture critic David Crombie last week called party for 100 artists in Toronto's Yorkville Bellini last week, many artists who filled the seafood canals shuddered when he used such business-oriented phrases as "the right entrepreneurial approach" and

increase in Ottawa's \$1.8-billion annual arts budget, as well as incentives to stimulate more public funding. They also say they will act quickly on the government's white paper on copyright which includes provisions that would allow writers to earn income from the borrowing or copying of their work. The parties also agree that Ottawa should retain the traditional "arm's length" relationship with cultural agencies, including the Canada Council and the Canadian Broadcasting Corp.—an arrangement that appeared to be in jeopardy last March when the Liberal government introduced Bill C-56. That legislation, which the government has since revised, would have made cultural agencies, along with Crown corporations, more accountable to Ottawa for their spending.

Still, there is a lingering suspicion

that the politicians are going only lip service to artists' concerns. The Liberals have replaced Minister Peers, who as minister of culture and communications exhibited a clear commitment to the arts, with former trade minister Howard Leeming, who has little arts experience. As well, Leeming has not met with arts community panels, nor has the newly appointed Tory cultural affairs critic, Geoffrey Scott. Indeed, Tory representative Paul Martin, who was in Ottawa last week, said last week's Vancouver panel discussion before the audience had a chance to ask any questions. At last week's panel in Toronto, Pierre Berton noted that some of the party representatives had made a role in the cultural domain and declared: "These aren't the people who will be dealing with I find it, I won't say insulting, but it's insulting."

The arts community praises the Liberalism for commissioning the 1982 Appleton-McRobert Report on federal cultural policy and for introducing comprehensive policies in film and video. But culture organizations denounce the fact that government funding to agencies, including the Canada Council, has not kept pace with inflation over the past decade, dropping an average of 8.1 per cent each year. As well, artists are still better off their lengthy quarrel with Berton's Canada and over the government's attempt to introduce Bill C-54.

Clearly also persist about the Tory commitment. Only three months ago Tory communications critic Scott told *The Globe and Mail* his party wants to "get away from the monthly fire of hand-outs," symbolized by the Canada Council. Instead, the Tories plan to try to attract more private money for the arts through tax incentives, including a new capital-cost allowance. But, and Tories to arts minister Paul Auld, author of Canada's Cultural Industries. "I would be very surprised if, short of actually giving back to business every penny they put in, that the arts, you could really stimulate a major increase in private sector funding."

While the NDP has been the most specific and generous in its promises, everyone recognizes that the outcome of the election will not leave its members to discover that the arts and culture are there will be much available money. Whatever the results, public attention will remain on the economy, the environment and the unemployed. As a result, artists will likely continue to select largely on a diet of promises.



Eastwood as "Dirty" Wes Block: a Kuma-Sutra amongst a board of perversions

FILMS

Manhunt in the gutter

TIGHTROPE
Directed by Richard Tuggle

From the moment the first victim in Tightrope strides onto the dark streets of New Orleans, it is clear that she has only herself to blame for her murder. Her walk is jaunty, her shoulder-length legs shimmey, and her high black gleam in the streetlights. Sure enough, a homicidal maniac steps out of the shadows. Moments later his nemesis appears: the film's producer, Clint Eastwood, playing a ramped, dailymen-detective, Wes Block, professional-lethal to Eastwood's famous character "Dirty" Harry Callahan. Block's challenge, like Callahan's, is to descend into the city's Squalor, battle with the corruption that blinding-race liberals would prefer to ignore, fend off luscious feminists from the local rape clinic, ignore pressure from self-serving politicians and reporters, and find the killer. In Tightrope many scenes with the before Eastwood smooches that task, and the credits will pile higher than the bodies, all to prove that perversion does not pay.

The killer is a former policeman who lost his way in the moral quicksand, which also threatens to devour Block. In the course of interviewing prostitute witnesses, the obsessive Block himself succumbs to a Kuma-Sutra amongst a board of perversions. If Tightrope did a better job of exploring Block's temptation, it would be a more interesting film. But Eastwood and writer-director Richard Tuggle are far too busy applying the

tracks of the thriller trade to devote much time to examining their characters' souls. Only a few morose close-ups of Eastwood's clenched jaw convey his inner torment.

Because Eastwood's performance is so laboriously wooden, Genevieve Bujaldin's portrayal of Beryl, the no-nonsense rape victim, outshines the director who believes Block's love interest, fairly leaps off the screen. But the rest of the cast lurches along with stereotypes, including Marco St. John as the maniac who lures along the dark corners of Block's soul and uses that knowledge to prey on him.

The film challenges credibility almost constantly. When Block returns the killer in a warehouse, he does not follow standard police procedure and call for backup. Instead, Eastwood goes it alone. When the killer takes his woman-woman of terror into the detective's living room, locking Block's dog in a cupboard, the dog does not bark in the film's most outrageous cliffhanger. Block and the killer are locked in mortal combat on railway tracks while a freight train bears down on them.

Eastwood seems to consider Tightrope an artistic step forward in his career because he missed it in August, 1984, Montreal World Film Festival. Certainly, detective Block is less brutal than Dirty Harry Callahan and he falls in love with the feminist by the end of the movie. But at that rate of progress, viewers will have to wait until the 21st century before Eastwood plays a recognizable human being. —WALTER GROSSBERG

Dreaming in lurid color

DREAMSCAPE
Directed by Joe Ruben

Late every summer Hollywood studios quietly slip their doomed productions into release like a lachrymose messenger who sends his second-stragglers when pension hopes have faded. Dreamscape, ill-conceived and skimpily directed by Joe Ruben, displays the worst features of such dog-days entertainment. The movie matches a slack script and lousy special effects with a cast of shagwaggers who should only play roles in some unfortunate producer's nightmares.

The plot focuses on the special powers of psychic Alex Gardner (Dennis Quaid), who works at the U.S. government's top-secret dream research centre hidden away in the corner of a subterranean campus. Gardner's abilities enable him to enter into, and participate in, the dreams of the centre's patients. Under the tutelage of Dr. Paul Serevity (Max von Sydow), he decides to help the poor souls whose dreams ensnare them, the most psychological distress. Using the action approach to psychiatry, he selflessly spends his nights running up and down the weirdly anguished staircases of his patients' nightmares.

Although these therapeutic sessions dominate the first half of the movie, they serve merely as Dreamscape's warm-up exercises. The real plot lives in Washington in the troubled office of the president (Eddie Albert), who has a recurring dream about nuclear war. At the same time, his sinister head of security, Robert Blair (Christopher Plummer), in one of his patented hard-hat turns as a villain, is trying to expand his power by creating the president to have a heart attack. Unable to duplicate Gardner's ability and enter the president's mind himself, Blair dispatches a psychotic juvenile delinquent (David Patrick Kelly) who can, and who will do so by ripping out the president's heart in his recurring dream.

After dodging several of Blair's amazingly slow-witted secret agents, Gardner also enters the lurid and midway tunnels that represent the president's mind and joins the growing population in his nightmare for a cinematic blood-bath. Finally the president, doubtless destroyed by his own "dream" his apocalyptic, tells his would-be assassin with a limp pipe. Then, waking with a start, he snags to his side, "We're leaving right now." That is a command he should have given the hapless viewers at the beginning of the film. —MARK TESSER



Allyce (left), Gillian (center) and post-Melocool passions, Shakespeare's religious debate becomes a powder keg

THEATRE

A drama with bigotry in the balance

THE MERCHANT OF VENICE
By William Shakespeare
Directed by Mark Lamos

For centuries the complex debate between Judaism and Christianity in The Merchant of Venice has provoked bitter controversy. At the heart of the play is the Jewish money-lender Shylock's morose demand for a pound of flesh from the Christian merchant Antonio, who has reneged on the contract between them. Roy-Holmquist passions have made presenting Shylock even more problematic, and the price of loudly ignoring Shakespeare's powder keg is high. But the playwright was not so anti-Semitic. In fact, a persuasive argument can be made that the Christians in Merchant are far more abusive than Shylock. Still, a superficial treatment of the play's profound moral conflict can mislead audiences of the solitudes into totally wrongheaded sides, as they did during the trial scene on the previous and spitting night performance of the current Stratford Festival production in Stratford, Ont.

The disaster which Mark Lamos has misdirected is all the more painful because his program most touch the surface of a solid interpretation. By placing the religious debate in the context of a Lenten carnival—a time of penitence—before revision—Lamos underlines Shakespeare's theme that true believers, no matter what their faith, must be charitable and joyful. From that per-

spective, both Shylock and Antonio seem cut from the same cloth of excessive partiality: pity—as a misread interpretation that avoids rabble-rousing. But because Lamos has avoided passion, too, most painfully in John Neville's shaggy portrait of Shylock, he sabotages the play's dramatic potential and trivializes its insights.

The carnival atmosphere itself presents problems. Designer Christina Podolinski has dressed the characters accordingly as a host of diverting costumes of the early 18th century, in which Lamos has set the play. The setting and winning of Portia (Dominic Glynn) is especially outrageous and musical, but such extravagant scene pictures when the director has left deeper issues untouched. The evident anti-Semitism of Antonio (a positively genial) by Richard Monette and his fellow Christians seems more a matter of fashion than faith. As Shylock, Neville is slow to multiply words and master of none. And he displays little concern for Judaism, his faith or his daughter, Jessica, when she elopes with a Christian. As a result, the trial scene in which Portia turns the tables on Shylock has all the dignity and manner of a small-claims court.

Several engaging performances almost make up for the production's lack of sinew and soul. Rydell is a warm, scagliosi Portia. Anthony Gillen shows remarkable presence as her schemer uncle, Bassanio, and Stephen Rasseff's

Gratiano is refreshingly bawdiest. But when Shylock pulls out a tiny set of Jewell's scales to measure Antonio's pound of flesh, the iconography draws a laugh—and shows how much Lamos's light-weight production is wanting in the balance. —MARK GROSSBERG

MACLEAN'S BEST-SELLER LIST

- | | |
|---|---|
| Fiction | Nonfiction |
| 1 First Among Equals, Arthur (2) | 1 Is God's Name, Fisher (1) |
| 2 The Day, Uno (2) | 2 Anger, Jenson (2) |
| 3 The Aquitaine Provocation, Joselyn (2) | 3 End to War, Zhao (2) |
| 4 And Ladies of the Club, Baumgardner (2) | 4 See and Destroy, Greer (2) |
| 5 Full Circle, Steele (2) | 5 The Short Life and Fast Times of John Belushi, Woodward (2) |
| 6 Lincoln, Vukob (2) | 6 The Kennedy, Collier & Horowitz (2) |
| 7 Hercules of Dune, Nordens (2) | 7 The Long Road Home, Gendberg (2) |
| 8 The Witches of Bantock, Usher (2) | 8 Bloody Victory, Grossman (2) |
| 9 The Wreck of the Tanager, Almon (2) | 9 The March of Felt, Pothman (2) |
| | 10 Enter Sweet Home, Ascher (2) |

(1) Fiction best seller

Prime Minister Mila Mulroney

By Allan Fotheringham

The important thing to realize about the person you are about to elect to run the country, Mila Mulroney, is that she will be our first immigrant Prime Minister. Yes, indeed, John Turner was born in England and so was some fugitive at the end of the century, but Mila will be our first "ethnic" born of the country. She will put the final stamp of approval on the postwar wave of immigration from Europe. I'd like to say, as we know, was our first ethnic Governor General (she was German and not Ukrainian), but she was born in Yugoslavia, in Sarajevo, home of the Winter Olympics and tragic. The second famous thing about Sarajevo is that Archduke Ferdinand was assassinated there, thus setting off the First World War. The most famous thing about the town is that it produced Mila.

What you are about to get as your next Prime Minister is the product of a solid European professional class. Her grandfather was a lawyer. Her father became a lawyer, to keep the family happy, but when he came to Canada

he decided to become what he really wanted to be: a psychiatrist, went back to university and started all over again. Mila was an engineering student at university in Montreal when the chap who will assist her in running the country swept her away. She was 29 at the time, walking past the pool at the Mount Royal Tennis Club in her bikini, when Brian Mulroney spotted her. "That's for me," he says he said to himself, and so it was done. She was three courses short of her degree when pregnancy ended that. She says she plans to complete the degree one day.

Your future Prime Minister, at 31, is 14 years younger than her husband, which is the same age spread as that between Margaret Thatcher, who was briefly Prime Minister, and Joe Clark. Pierre Trudeau was 16 years older than Margaret, but that's another novel Macmillan King, presumably, was much older than the streetwalkers he used to

Allan Fotheringham is a columnist for Southern News.

try to rehabilitate, when he wasn't talking to his dog.

Your next Prime Minister is five-foot nine-something tall. If she is ever out of work, could turn her presence as a model. She enters a room as if she owns it, and her smile could power the James Bay turbines. During her husband's Regency Government leadership campaign, she was advised to tone down the jewelry on their countrywide jaunts in search of delegates but, when they hit Alberta, flash all the diamonds in her possession. When she wears all her rocks, you have to put on sunglasses.



for fear of damage to the crown. She has only two rules for her three children. They are not allowed to say "I can't" and they are not permitted to pass at the table. She calls her husband "Milkman." He calls her "The Palpatizer" because those fugitive journalists once wrote that she would seize the Ottawa pulpit when she hit 24 Sussex Drive. Her wardrobe bill is larger than the debt of Canada.

The next Prime Minister of Canada is years older than her chronological age, mainly because of all those Boris-Yeltsin gross floating around that lanky frame. She is little-girl beauty, cradling her nose when laughing, but deep deep she is tougher than Air Canada steak. She has that European inbred north wailing tendency, the instant respect on all her friends' godfathers, love affairs, clothes and restaurants. One would be unwise to cross her, once betrayed she gives the impression that the boys with the violin axes will be out searching for you.

The coming Prime Minister can "work a room" better than Lyndon Johnson or Milton Reid. To work a room is an understatement, term meaning the art of passing the bush of a ballroom full of total strangers and leaving each of them with the impression that he or she was the only guest present. It means not laughing, not waving, not sprouting but listening, appearing as natural as if you were just strolling through the newspaper and leaving everyone all gaga. Julian Porter, the distinguished Toronto hired gun who has been to more banquets than any man in captivity, says there are only about three people in Ontario who can do it properly, allowing modestly that he is one of them, and says that Mother Mulroney is about the best he has ever seen. He shakes his head and marvels after watching her operate.

The one thing the future Prime Minister of Canada needs is pretending to be an expert on politics. She wisely concentrates on acting as a human done of Values for the man who will assist her in reducing the deficit, wiping out unemployment, finding a cure for dental rot and riding the land of recent appointments to Gift-destined parole boards, road blocks, airline boards, Ottawa congressional boards and lumber boards. She will throw twice parties at 24 Sussex, which for a decade has been Ottawa's only restricted mansion, inhabited by a man who thought social intercourse was a venereal disease.

This is a muffed country, as we know, a hapless country that goes at things sideways and does not like to face the truth. The second most populous nation, in fact, an offhandedly elected Indian Gandhi. It took the wit to elect a Goldilocks. The mother of parliaments at Westminster can accommodate a Margaret Thatcher as boss. Even the United States of America is thinking of installing a Geraldine Ferraro a heartbeat away from the presidency. But Canada is more sheep, more shy, which is why it is about to elect Mila Mulroney as Prime Minister under the guise of her husband. We will know who will be running the country. It's just that we won't be voting for her.



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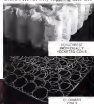
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